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Latin America Report

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INTER-AMERICAN AFFAIRS

CARICOM-HOYTE MUSTIQUE MEETING STILL GETTING ATTENTION

Interview With Compton

Port-of-Spain SUNDAY GUARDIAN in English 2 Feb 86 p 9

[Article by Norris Solomon]

[Text]

MUSTIQUE ISLAND lies 18 miles South of St. Vincent. It is more or less a holiday resort which has attracted world attention largely because Princess Margaret, the Queen's sister, owns a house there and is often there on vacation.

One understands why Mustique is in demand, it boasts many coves and sandy beaches along its 12 miles of coastline.

And it was on one of these beaches last weekend that seven Caribbean leaders swam in the cool blue waters, strolled barefooted along the sand and talked informally.

The topic was Guyana, its recent elections and future in the Caribbean.

Other Leaders

Guyanese President Desmond Hoyte could be described as being the controversial guest of honour, as he was most present to hear how the other leaders see him and his country.

He was not on trial, but it could be said that he was there to answer questions and apparently he answered them so well that even arch critic of Guyana Miss Eugenia Charles was so enchanted by the whole occasion that she remarked that there was no evidence of rigging at the December elections in Guyana, which a lot of people still insist were fraudulent.

Absent from the meeting was Prime Minister George Chambers who would have preferred a formal meeting of leaders with a properly worked out agenda rather than the days' picnic on the Mustique sands.

Also absent was Prime Minister Edward Seaga of Jamaica who informed the seven leaders that he had to be in London at the time but would have liked to attend.

Attending the meeting were Prime Ministers Bernard St. John (Barbados), Herbert Blaize (Grenada), John Compton (Saint Lucia), Eugenia Charles (Dominica), Dr. Kennedy Simmonds (St. Kitts), James "Son" Mitchell (St. Vincent and The Grenadines) and Desmond Hoyte (Guyana).

The meeting was arranged by Mr. Mitchell. How did this meeting come to take place organised outside a formally arranged Caricom meeting?

Is the situation in Guyana as serious as the 1984 violent overthrow of the Grenada Government which resulted in a mini summit in Port-of-Spain?

John Compton, Saint Lucia's Prime Minister commented that the Grenada situation must never happen again in the region.

Here are his comments in an interview with me on Friday.

"We have been concerned about what was happening in Guyana. There has been a lot of rumours and countertalk.

"We thought that we ought to get Desmond Hoyte and talk.

"Prime Minister Mitchell of St. Vincent decided that we invite everybody including your Prime Minister. We wanted it to be informal and he wanted it to be formal. We did not think that this was the time for formality.

"We did not have Desmond Hoyte on trial, we just wanted to express our concern."

Question: What did you say to President Hoyte?

Answer: We told him that Guyana had a need to improve its image abroad. We pointed out that there was talk of irregularities in the elections and we were concerned about the persistent talk about irregularities. He denied it.

We told him that he should try and open up the place, let people and the Press come in.

Question: How did he react?

Answer: He had his elections procedure pretty well documented and showed where meetings were held and who held meetings.

He had it well documented and we said let the Press come and he agreed. We spoke of Caricom trade:

Question: "What were your reactions?

Answer: "On the statistical evidence presented by Hoyte, there appeared to be no serious attention paid by the opposition in contesting the elections.

Asked when planning for the meeting took place he said it actually began around January 10.

"We thought that we should do it early while things were still warm, since once February passes, everybody has international commitments.

"For example, Prime Minister Seaga said that he was going to London and could not meet. He said that he would have liked to come, but we thought it urgent at this time to hold the meeting.

The whole concept started around Christmas.

Question: What did Mr. Chambers say?

Answer: The Trinidad and Tobago Prime Minister wanted the meeting under the auspices of Caricom. We were meeting to talk as concerned colleagues.

One of the strongest critics of Guyana certainly under the late president Forbes Burnham was Miss Eugenia Charles.

In her reactions following the meeting she said "I said that I wanted evidence that there had been rigging and I still have not had the evidence, in fact I have the contrary now to show that there was no rigging and the evidence points that way.

Miss Charles last year stated that she was not going to attend the Caricom Heads of Government meeting scheduled for Georgetown. The reason why she had been concerned was the presence in Georgetown of a Libyan Centre.

But she learnt in December last year that the centre was no longer there.

Miss Charles's change of heart followed Burnham's death when her reaction then was that he had been "a leading figure in the Region and his passing would be noted by all those who had to work with him in the past."

Mr. Mitchell said that as host and organiser, he was particularly pleased with the meeting. He felt that if that meeting was not held the July Heads of Government Caricom meeting might have had to be cancelled. Prime Minister John Compton had more to say.

"I am not going in judgment about complaints about irregularities. "We in the Caribbean are concerned about everything that happens in the Caribbean with respect to elections. They should satisfy the standard to which we are accustomed ... the standard or rectitude and probity ... free and fair elections.

No Attempt

He said: "I am not prepared to pass judgment. My view is that things were not so bad as people made out. It appeared that there was no serious attempt by the opposition to contest. He explained that Dr. Jagan said that one time he was contesting and at another time he was not.

"What happened in Grenada because of Gairy (a former Prime Minister) must not happen again, that is why we met," he said.

Question: Could you elaborate on that?

Answer: We sat down and allowed Gairy to beat people with his Mongoose Gang and there was talk of we must not interfere in internal affairs.

"This is not a question of interference if you do not satisfy the standards of the region."

Question: How did Mr. Hoyte react to the overall meeting?

Answer: He took it good; He was satisfied.

"We feel there will be changes and the regime will liberalise. There will be some liberalisation shortly."

Immediately Eugenia Charles said that she was going to the Caricom meeting, he said.

As a result of the talks a trade mission from Guyana is going through the region and we in Saint Lucia will receive them on February 13, he said.

Interview With Charles

Port-of-Spain SUNDAY EXPRESS in English 2 Feb 86 pp 11, 13

[Text] Guyana President Desmond Hoyte was the central figure at a meeting last Saturday on Mustique Island in the Grenadines. At the meeting were the Heads of Government of several of the Organisation of Eastern Caribbean States. Present was Eugenia Charles, Prime Minister of Dominica. The SUNDAY EXPRESS sat with Miss Charles last week for an assessment of the meeting:

Q: Prime Minister, why the meeting in Mustique and how many Prime Ministers got together on that occasion?

A: Well, first of all (St Vincent Prime Minister James) 'Son' Mitchell was the one who first called and said, "We have all had our say but I think it is very important that we meet with Desmond Hoyte himself and talk, let him know what our fears are, what our concerns are and have his replies to it." So we agreed to meet and it was arranged for Mustique.

The only people who didn't attend, among Independent countries in the Caribbean, were Trinidad and Tobago, Antigua and Jamaica.

Q: What about the Prime Minister of Trinidad and Tobago? Was he invited?

A: Oh yes, he was invited, but I understand ... he felt the meeting should be held under the Caricom auspices and we didn't want this; what all of us generally agreed was that we wanted an informal meeting where there were no officials, no stiffness, no documents to look at, where we were just letting our hair down, asking questions, talking about it, not having to take two minutes to speak, no big formal speeches, just a question and answer period so that we could satisfy ourselves.

Q: I take it from this meeting that you were all commonly concerned about whether or not the elections were fair and free in Guyana?

A: Well there had been expressions by some of us that we didn't think they had been fair. You will remember that I had always said that I was not prepared to say they were rigged unless I could have evidence that they were rigged and this evidence had never been given me. Nobody was able to say that on such and such occasion so and so was done which showed that there was rigging.

But I still wanted explanations on how the Elections Commission was composed, how it operated, why votes were not counted immediately after the closing of the polling stations and whether agents were allowed in freely, accredited agents, into the polling stations and whether they could follow the ballot boxes and keep watch over them until the count was made ...

Q: Did you get straight answers to these questions?

A: Straight answers. It was an extremely good meeting. Everybody had their say; nobody pulled any punches. We asked the questions exactly as we wanted to and there was never a fumble in the replies given to us. There was honesty between all of us and sincerity and I am very satisfied with the result of that meeting. I wish we could have more Caricom meetings of that sort.

Q: Was that unprecedented in the sense of getting together virtually to explore whether a Prime Minister within his country had behaved in a reasonable way?

A: Well it is unprecedented: our asking a man questions about the way he runs his country; he could have told us to go to hell, after all. But I think he realised that we were sincere in our request, that we were not finding fault but wanting information and he replied to us in exactly the same way, giving the information very honestly, very openly, very sincerely.

Q: After that discussion, are you prepared to put your head on a block to say that the elections in Guyana were fair and free?

A: I have to be careful because I understand that election writs have been issued and I wouldn't want to take the place of the judges in Guyana, but I am satisfied for myself that, with all the information given to me by Desmond Hoyte, that in fact every effort was made by the Government to have the elections free and fair.

Q: Did you discuss with him why he did not permit observers to come in as he had been requested to?

A: Yes. That was one of the questions and his answer was that he was not prepared to allow official observers to come into his indepedent country and to give an official report afterwards, but that he would not prevent journalists coming in to view for themselves and to write reports on it. And in fact there were many outside journalists there, I understand; unfortunately one particular Caribbean journalist was not allowed in.

Q: This was a Jamaican journalist, was it not?

A: I think so, Canute James. And although he did not, naturally as a leader of a country, he didn't lay the blame on anybody else, it was obvious to us from his reply that had the matter been put to him, Canute James would not have been excluded from Guyana.

Q: What specific matters did you raise with him?

A: First of all we wanted to know how the Electoral Commission was formed; we wanted to know if it was independent ... And he pointed out that the head of the Electoral Commission was a retired Chief Justice who was well-respected by everybody, including the Opposition, about whom no remark has been made by the Opposition to show they didn't have full faith in the manner in which he had run the Electoral Commission.

We asked him about the ballots cast by the security forces and he said that these ballots had been kept secure by the Chairman of the Electoral Commission and the locks had been put on by all the opposition parties, so that there could have been no interference with the boxes once they got into the hands of the Electoral Commission. We wanted to know if everybody has a say in the Electoral Commission. He said that every party that is represented in Parliament has a representative on the Electorial Commission, including, of course, PNC, his own Party.

Q: Did you ask President Hoyte whether he had made any effort to consult with Dr Jagan prior to the elections to discuss whatever may have been his reservations about the elections?

A: We asked him and he said he had sent for Dr Jagan and told him that he had always been having complaints about the manner in which elections were run, so let them sort these matters and that was before the election date was set and one of the complaints was that the list was not received in time to scrutinize it properly.

And he said therefore he gave, although the law, I think, requires 15 days, he gave 26 days before the electon date was set in which time the list could be scrutinized and objections made and he has no record of a single objection being made by the Opposition to those lists. He also said that they were against the overseas vote and for that reason he abolished it.

They also had objections to the absentee vote — that is, persons who were not in their electoral district on the day of election can vote elsewhere by post — and that was also omitted as a result. But the security vote — the men in the security forces voting ahead of time — he said that they did not give in on that. He felt it should take place because the men would be deprived of the right because they were doing work on election day but that this was handled by the Chairman of the Electoral Commission.

Q: Were there any specific requests from Dr Jagan that he refused and how important were they?

A: Not that I know of. I don't think he gave us a whole list, but I don't know there were any others. There may have been, I am not sure. But the other thing that we wanted to know was why in fact (it was our interest) why don't they count the votes immediately on the closing of the poll in the polling station itself.

And he said, never in the history of Guyana had that ever been done, even in colonial days and I found out that in fact in St Kitts and Barbados it is done the same way as in Guyana: the boxes are taken to a central place for every constituency and counted there. Our law says that we always have counted immediately after the vote at the polling station and I like it and I would suggest to most people that that is a good way to do it.

Q: What about the incident in which the Leader of the Opposition was allegedly mishandled?

A: Well this is one case where he had no right to be in that polling station because you had to be accredited to polling stations in Guyana as in other places. He had no right to be there and he came in with ajournalist who also had no right to be there.

He was asked to leave, he did not leave and the people of that district, who were strongly for the Government Party, so naturally on election day, you know what emotions are like, they got very emotional about this man who was coming to interfere with their election, so a policeman who was passing, a plainclothes policeman, had to order Dr Jagan to leave and since he didn't leave, they had to escort him out of the building.

I understand that the English journalist, who had first reported this in a way which showed that he was annoyed that it in fact happened, the following day or so in fact made another report saying that he had been properly treated, he had not been ill-treated and in fact that he had overreacted to the whole thing himself.

Q: Do you know whether there exists anywhere a tabulated list of alleged misdemeanours that may have occurred in the elections?

A: No. I have been asking for that ever since from the first day when CANA rang asking, "What do you think of elections and the allegations of rigging?" I said I don't want allegations, I don't want generalisations. I want people to tell me in detail what has happened; not many but give me some incidents.

Don't tell me that in several polling divisions many agents were excluded. Tell me in Polling Division Number So and So, John Brown, an agent accredited by so and so, was refused entry on such and such a time. Give me that instance.

As a lawyer, I want facts ...

Q: You are on record as saying that you were not prepared to go to Guyana. I think this was some time ago. Does this mean that you actually feared that some sort of physical violence may have been directed against you?

A: I have said before that many of my enemies had homes in Guyana and I am quite happy to know that the Libyan Centre is no longer there. That makes it a lot easier for me to go there now and, quite frankly, I think I will be going next July.

Q: The Libyan Centre apart, there has also been a change of leadership. How far has that influenced your decision?

A: I always said I didn't have anything against Burnham personally. He is an old school friend of mine, but he had friends that were my avowed enemies; even Dominicans who were my avowed enemies were friends of Burnham ... If they have to get rid of me, let them get rid of me in my own country.

Q: Do I read into your overall comments a feeling that there is some sympathy for Guyana, a desire to reach out a hand to see whether there can be some closing of ranks with Guyana?

A: First of all, I must say that even when I have been saying that I would not go there to their meeting, I have always upheld that we must do all we can on the trading line because we belong to a grouping and I said over and over again, the grouping must deal with trade and industry.

One of the reasons why I said the (Caricom) Secretariat should move from there, I felt that there was a difficult life in Guyana and so we could not always get the best people to work for us in the Secretariat and I also feel that in these days of expenses it would be better to have the Secretariat in the middle of the chain of islands, rather than at one end of it.

But apart from this ... I think that it is necessary for those of us who believe in Caricom and who believe in what Caricom stands for, the bettering of trade and industry between these islands, and together in these islands, to the outside world, we must join ranks with Guyana and we must do all we can to make sure that all of us, as partners, work together for the benefit of Caricom.

We can't isolate one country and say we are going to do something with Caricom. We have to make sure that Guyana is part and parcel and plays its fair part in Caricom.

Q: Apart from the Guyanese election did you all get on to other matters of common regional interest at that meeting?

A: Oh yes, we spent more time ... in fact, I think, having cleared the air on the election part, we spent more time in fact on Caricom matters and, as a result of this, Desmond Hoyte has agreed to send down a trade mission immediately to us to discuss specific items of trade we want to talk about: timber which we are getting so little of now from Guyana; flour, which both St Vincent and Trinidad can supply Guyana with now until they get back into production with their own factory.

And if we are doing it on a barter system, then the foreign exchange doesn't hurt Guyana so much and we also want to buy from Guyana, so that we can get the facility (Caricom Multi-lateral Clearing Facility) going again.

Q: I want to revert to the unofficial meeting, because apart from it being unprecedented, it seems to me that it opens a whole new approach for the future. Do you think that this kind of consultation is likely to repeat itself in the future?

A: I am quite sure of that because in Bahamas, when we were at our Commonwealth Summit meeting, I spoke to the Prime Minister of Trinidad and he expressed the view that we should have less of these formal meetings and more informal meetings where we just sit and chat without too formal an agenda. In Mustique we knew that we were going to talk about the elections; we knew we were going to talk about trade but there was no set thing of lumber and then flour and then sugar and then rice.

Q: What was the format? Did you sit around a table?

A: Oh no, we sat around in easy chairs and drank coffee or coke or something while we were talking.

Q: No one was tempted to go into the sea?

A: Not at that point, but later on, towards midday, when we were going down to have lunch in the house below, we all decided that we were going into the sea and we continued the chat in the sea.

I, of course, was first off in the sea because I was anxious to get there. Desmond Hoyte was next with me and we spoke for about 10 mintues before anybody else came, on matters that concerned each other and I think it is a very, very good way to do it and I would like to encourage our people not to have so many documents, so many papers, so many PS's (permanent secretaries), so many official advisors. Let us come with the advice given to us before hand.

Criticism of CARICOM Leaders

Port-of-Spain SUNDAY GUARDIAN in English 2 Feb 86 p 6

[Editorial]

[Text]

IN Guyana where the People's National Congress has ensured by fair means or foul, mostly the latter, that it remains in power, events have reached such a crescendo of accusation and fraud, that the Prime Ministers of a number of Caribbean states thought it necessary to meet informally with President Hoyte of Guyana on Mustique Island in the Grenadines last weekend.

The plan had merit. As Prime Minister John Compton of St. Lucia has since remarked: the situation in Guyana is serious enough so why wait for another Grenada to happen? Why not meet with Hoyte and hear what he has to say, appeal to him to open up to the Press and so on.

It would seem, however, that the mystique of Mustique, as it has done to some royal and famous jetsetters, induced within some of those at the talks, such a spirit of exuberance that it affected clarity of thought. How else can one explain some of the utterances that have since been heard from those who attended.

Is it the air of Mustique that caused Prime Minister Eugenia Charles of Dominica to utter the strangest verdict on the recent elections in Guyana? The evidence, she states, points to the conclusion that there WAS NO RIGGING. What evidence? President Hoyte's say so? Did Miss Charles really expect Hoyte to agree that there was rigging? Surely Miss Charles could not be so naive.

What has brought about the change from less than two years ago when Miss Charles was asking that the CARICOM headquarters be removed from Georgetown? She is now explaining it away as having something to do with a Libyan presence in Guyana, a presence that apparently is no longer there. At the time that Miss Charles was being such a strong critic of Guyana, to the point where she actually said that she wouldn't feel safe going there, there was never the slightest suggestion -at least not heard by us - that her fears were related to Libyans. We must therefore confess our bewilderment at her present stance.

What Evidence?

Mr. Compton is not much better. In a reference to the PNC "victory" he is reported to have said. "There was no serious attempt by the Opposition to contest."

Again his informant was Hoyte. To use Hoyte's version of events in a Guyana election as "evidence" is really taking things a bit far. Neither, of course, should anyone be prepared to accept what the

Guyanese opposition states without independent evidence to support it.

Such evidence does exist. Much independent information by means of media investigation, by way of conclusions of an impartial commission, by examination of the electoral procedures and practices in Guyana (all controlled by the state) and by all kinds of competent people, by credible reports of the manner in which the boxes with votes are spirited away to be counted at secret places, obviously must carry more weight than anything Mr. Hoyte could say.

We are left to wonder exactly why these two Caribbean leaders have chosen to stake their personal reputations for sagacity, alertness and integrity upon what anyone else in the region would consider the flimsiest of so called evidence.

Prime Minister George Chambers was right to distance himself from such a totally absurd meeting. The Guyana situation is too serious for these fun and games. It has to be tackled seriously and with a great deal more intelligence than seems possible if you are romping around on a beach, no matter how beautiful it is.

Charge of U.S. Intervention

FL062015 Bridgetown CANA in English 1833 GMT 6 Feb 86

[Text] Georgetown, Guyana, Thursday, (CANA)--The Catholic Standard newspaper has alleged that last month's Mustique meeting of Guyana and Eastern Caribbean leaders was the result of American intervention.

The meeting was called by Prime Minister James Mitchell of St Vincent and the Grenadines following widespread allegations that December's general elections in Guyana were rigged.

Some Eastern Caribbean leaders, after initially expressing concern about the conduct of the elections, later said they thought the government had done much to make the elections free and fair.

In a front-page article, the Standard under the headline 'Mystery in Mustique' questioned the "sudden turn around" by Caribbean leaders in favour of Guyana.

The Standard contended that the Caribbean leaders were encouraged by the United States to meet with President Desmond Hoyte.

"Maybe one has no further to look than two or three events, namely the report that the Guyana Government has been having talks with officials of the U.S: State Department, the U.S. Ambassador's presentation to the President's College (an elite Guyana Government Secondary School), the State Department's ambigious utterances on the recent election and the dismissal of a broadcaster (from state radio) who uttered a news item derogatory to the U.S. President."

The publication continued: "The signals have now got through that President Hoyte's boat must not in any circumstances be rocked in keeping with U.S. strategic interests."

"All of this comes on the heels of the report that the U.S. is ready to restore the supply of wheat to our flour mill."

"While all this must come as a disappointment to the so recently united opposition, it could lead to pressures on the Guyana Government, especially by the United States to improve its human rights observance and genuinely open up the country to individual initiative and private enterprise."

The CATHOLIC STANDARD is a long-standing critic of the socialist government.

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INTER-AMERICAN AFFAIRS

TRINIDAD-TOBAGO, VENEZUELA HOPE TO BOOST COOPERATION

Port-of-Spain EXPRESS in English 3 Feb 86 p 1

[Text]

TRINIDAD and Tobago and Venezuela have agreed to increase energy and financial co-operation in the face of the worsening oil crisis and world recession.

And Prime Minister George Chambers is likely to pay an official visit to Venezuela in May.

According to a CANA-Reuter report from Caracas yesterday, External Affairs Minister Errol Mahabir and his Venezuelan counterpart Dr Simon Alberto Consalvi issued a joint statement expressing concern at falling oil prices, growing trade protectionism and high levels of unemployment.

The two governments, the statement said, will accordingly "accelerate the execution of programmes and projects of economic, technical, scientific and cultural cooperation." The statement said that a committee made up of representatives of both countries will meet in Port of Spain in June to discuss ways to carry out the agreement.

After meeting with Venezuelan President Jaime Lusinchi on Saturday, Mahabir told CANA-Reuter that Trinidad and Tobago was interested in refining up to 40,000 barrels a day of Venezuelan crude at the state-owned refinery. Trinidad and Tobago had been discussing with Venezuela the possibility of refining its crude at the Trintoc Pointe-a-Pierre refinery which is currently refining below full capacity.

Venezuela, a member of OPEC, exports 1.4 million barrels of oil per day while Trinidad and Tobago exports the bulk of the 180,000 bpd it produces. Both countries depend heavily on the foreign exchange generated by oil sales.

Dr Consalvi and Mahabir said at the end of their weekend meeting that a stabilisation of oil prices was in the interest of all oil exporting nations, OPEC members or not. Trinidad and Tobago is not a member of OPEC.

The joint statement identified other areas of economic co-operation, including tourism, construction and hotel infrastructure, maritime transport and tax treaties.

The two foreign ministers also discussed problems of fishing in territorial waters of the neighbouring countries to take steps to ensure compliance with a fishing agreement signed last year. Last week, 30 Trinidadian fishermen were detained by Venezuelan coast guards for allegedly fishing in Venezuelan waters. The fishermen and boats were released last week. **(See story on Page 3.)**

Speaking from his San Fernando home shortly after arriving back in the country, Mahabir told the EXPRESS that the visit was "very successful." He said that a full briefing would be given to the media after he had reported to the Cabinet.

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INTER-AMERICAN AFFAIRS

FISHING PROBLEMS BETWEEN TRINIDAD, VENEZUELA PERSIST

New Arrests by Venezuela

Port-of-Spain EXPRESS in English 6 Feb 86 p 1

[Article by Harry Partap]

[Excerpts] **THE Venezuelan National Guard yesterday arrested and detained 36 Cedros/Icacos fishermen and 12 boats while fishing in the Gulf of Paria.**

This was the second incident in the Gulf during the past two weeks.

A report reaching the EXPRESS San Fernando Desk said that the Venezuelan National Guards cornered the fishermen in an area near Cocoquin within the designated treaty-safe zone. The report said that the guards came in high-powered speed boats and rounded up the men. Several other boats fishing in the area scampered to safety and returned to Icacos and Cedros.

St Patrick County Councillor Basdeo Manmohansingh who first received word of the plight of the fishermen has called on the relevant authorities to expedite the release of the men. Councillor Manmohansingh questioned the purpose of the delegation to Venezuela last week headed by External Affairs Minister Errol Mahabir.

Councillor Manmohansingh said that the Venezuelans were apparently making a mockery of the fishing treaty and the joint statement made at the end of Mahabir's visit last Sunday. It was learnt that the boat owners were already making arrangements to go to Perdenales and La Horquetta to seek the release of the boats and men.

Detention of Ship Captains

Port-of-Spain TRINIDAD GUARDIAN in English 7 Feb 86 p 1

[Excerpts] SAN FERNANDO — SOME of the 28 fishermen from Cedros and Icacos who were held Wednesday by Venezuelan National Guards in their nine boats and taken to Pedernales, have since been released, but the nine captains were taken to Tucupita.

According to one of the fishermen who returned yesterday, the Venezuelans indicated that they would charge the captains.

"We do not know what the charge will be. We do not know whether it will be for fishing without permits," said Hazrath Ali, who returned to Icacos with three others. They were not ill-treated in any way, he said.

Meanwhile, President of the Cedros Fishing Co-operative Society, Cyril Rogers, expressed concern over the incident as he did when several men from Cedros, Icacos and Erin were arrested January 23 then freed and sent home.

Mr. Rogers, Member of Parliament for Point Fortin, noting that the majority of the fishermen who were arrested were members of the co-operative felt that the fishermen should not run the risk of being arrested since the fishing permits which were being processed by Venezuela would be ready for distribution shortly.

Mahabir News Conference

Port-of-Spain TRINIDAD GUARDIAN in English 7 Feb 86 p 1

[Text]

THE GOVERNMENTS of Trinidad and Tobago and Venezuela are to implement several devices which could end uncertainty over future incidents involving Trinidad and Tobago fishermen, External Affairs Minister Errol Mahabir said yesterday.

These devices, he explained to a news conference at the Hilton, included establishment of a Trinidad and Tobago Consulate in Tucupita; a "hot line" to Caracas and Port-of-Spain, and a stronger Fishing Commission comprising members of both countries.

Mr. Mahabir, who led a high-powered Trinidad and Tobago team on a recent visit to Venezuela, reported on the trip to the media. He also told of efforts to resolve the latest fishing incident — Wednesday's arrest of 28 local fishermen by the Venezuelan National Guards.

The Minister told the media that a delegation from the Trinidad and Tobago Embassy in Caracas on its way to Tucupita, Venezuela, before noon yesterday, in a bid to secure the release of Trinidad fishermen arrested by the Venezuelans. Some of the fishermen were said to have already left Venezuela and were on the way home.

The long awaited fishing permits for 60 fishermen to shrimp in a marked off zone in Venezuelan waters should be released within 15 days, the Minister said. They will be provisional permits issued for three months until the Venezuelan Congress meets to ratify the fishing agreement in March this year.

In the meantime, an understanding has been reached between Trinidad and Tobago and Venezuela to deal with the question of fishing in restricted waters in a manner calculated not to aggravate the situation.

Agreement Violated

Mr. Mahabir made it plain, however, that according to information received, the recently arrested fishermen had allegedly violated the fishing agreement in several respects.

He warned that the 60 permits were to be issued under clear terms and conditions. "If it is found that in the course of their operations the holders of such permits violate the terms of the agreement then steps will be taken to take away the permits. Our fishermen will not be found wanting in terms of the agreement," he emphasised.

In all some 83 fishermen applied for the permits, the final allocation was made on three grounds. Permit holders should be owners of boats with the required equipment, while their proximity to the fishing grounds, and their previous use of any fishing permits would be considered.

In the list submitted to the Venezuelan Government on February 4, 21 fishermen are from Icacos, 18 from Fullerton, 13 from Bonasse and six from Erin.

Looking at the wider picture of relations between Venezuela and Trinidad and Tobago, Mr. Mahabir stressed that such contacts went far beyond fishing, and included culture, trade and tourism.

Some of the results of the mission and recent discussions between the two countries include:

- The Governor of Tucupita has invited a Trinidad and Tobago mission to visit for further discussion on mutual problems.
- Cabinet has asked that top priority be given to legislation to provide for jurisdiction over the 200-mile economic zone of Trinidad and Tobago.
- Cabinet has instructed the Minister of Agriculture, Lands and Food Production to make regulations controlling bottom trawling by vessels in local waters.
- Legislation is to be drafted to control foreign vessels fishing in local waters without permission, including seizure of vessels and court procedures.
- Members of a Joint Fishing Commission have been announced, with three representatives from each side, and meetings are to start immediately.
- An exchange of fishing data between the two countries is to be started.
- A Trinidad and Tobago/Venezuela Joint Mixed Commission to meet in June 1986.

Visit By PM

- Sub-committees of the Mixed Commission have been appointed to work on areas like transport, energy, trade, tourism.
- Venezuelan President Jaime Lusinchi has related talks with the Mexican Government which led to cuts in oil prices by the two nations.
- Talks have been initiated on the possibility of either Venezuela or Trinidad refining the heavy crude oil common in both nations.
- A possible visit by Prime Minister George Chambers to Venezuela is being worked out.
- A system of communicating speedily any news of detentions of Trinidad fishermen to the Venezuelan Foreign Ministry and the Trinidad and Tobago Embassy in Caracas is being worked out.
- The number of magistrates and judges in Venezuelan towns near the fishing areas is to be doubled, to allow speedy handling of disputed matters, and National Guards of Venezuela will no longer be able to issue on-the-spot fines.
- The Cedros Fishing Co-operative is to be revitalised.
- A system of marine markers will be set up to warn local fishermen when they are drifting out of the narrow shrimping zone into prohibited waters.
- Venezuela and Trinidad and Tobago are to share information related to drug trafficking.

Skepticism on Accord

Port-of-Spain EXPRESS in English 7 Feb 86 p 8

[Editorial]

[Text] JUST when we thought that External Affairs Minister Errol Mahabir had tied up the loose ends in the fishing treaty between this country and Venezuela, we are confronted again with the situation where our fishermen were arrested and detained by the Venezuelan authorities while fishing in the Gulf of Paria.

Now it is left to speculation whether the Gulf will ever be safe for our fishermen, treaty or no treaty. There still seems to be some confusion in the minds of fishermen concerning the designated treaty areas. This is borne out by the fact that one of Icacos' most senior fishermen claimed that he knew nothing about any two-mile zone on Venezuela's coast which was off limits to fishermen.

If this is so, then the local fishermen are operating without a clear knowledge of the terms of the treaty and this is an invitation to further arrest and detention. The onus, therefore, is on both the fishermen to acquaint themselves with the treaty and the Ministry of Agriculture, Lands and Food Production to provide them with as much information as possible to help them keep off the non-treaty areas.

Mr Mahabir had announced before journeying to Venezuela last week that among other things guidelines would be put in place to deal with violations of the treaty. He also indicated that the loose ends of the treaty would be finalised. The action of the Venezuelan National Guard on Wednesday clearly indicated that all is not well with the treaty.

We made the point last Friday that the delay by the Ministry of Agriculture, Lands and Food Production and the Ministry of External Affairs in distributing the 60 fishing permits was contributing to the problems in the Gulf. The fact that the Venezuelan National Guard sought first to ascertain whether the fishermen had permits tells us that they were policing the fishing grounds under the correct premise.

Now, why were these 60 permits not yet issued? The treaty was signed by both Mr Mahabir and his Venezuelan counterpart Dr Simone Alberto Gonzalve in Port of Spain on November 26, 1985. It is now fast approaching three months since the treaty was signed yet the instruments of the treaty which legalise the presence of the fishermen on the fishing grounds have not been issued to them.

Fishing permits in some file in either ministry can hardly be of any use to those fishermen who searched the sea for a living. Our bureaucrats cannot be so insensitive to the plight of our fishermen by simply ignoring their request for the fishing permits.

And what may we ask is the role of the Cedros/Icacos Fishing Co-operative in this scenario? Certainly, this co-operative, through its patron Deputy Speaker Cyril Rogers, could agitate for the release of the passes. The fishermen need some legal instrument to guarantee their safety while on the high seas.

This already perilous vocation of these citizens is made even more difficult by the fear of being arrested, detained and charged. Delaying distribution of passes puts the fishermen in a serious financial predicament to the point where they must risk being arrested in order to earn a living.

Only an insensitive system would subject citizens to such danger. Mr Mahabir's hurried visit to Venezuela last week was aimed, no doubt, at defusing the tension in the Gulf but now it seems to be a question mark as to whether he has in fact succeeded.

We have no doubt at all that the new fishing treaty would lessen the tension in the Gulf and deepen the friendship of the peoples of Trinidad and Tobago and Venezuela once it is respected by both sides. What is really needed now is a thorough knowledge of the terms of the agreement by the people for whom the treaty was actually negotiated.

Now that we have had two incidents in two weeks where our fishermen had been arrested and detained by the Venezuelan authorities, we hope that the details of the treaty will be straightened out quickly so that this will be the last of any such action against our fishermen.

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CSO: 3298/317

GUYANA MISSION DISCUSSES TRADE WITH BARBADOS OFFICIALS

FL051233 Bridgetown CANA in English 1828 GMT 4 Feb 86

[Text] Bridgetown, 4 Feb (CANA)--A five-man Guyanese mission headed by Trade Minister Winston Murray has had talks with Barbados Government officials and businessmen on the possibility of improving the flow of goods between the two Caribbean Community (Caricom) member States.

Talks between the mission and a Government team headed by Trade Minister Louis Tull as well as local businessmen were one of the highlights of a recently-started Caribbean tour.

The two parties discussed a number of specific issues including resuscitation of the Caricom Multilateral Clearing Facility (a trade mechanism shut down after its US $100 million ceiling was busted), the Barbados Government Information Service (BGIS) reported.

They also discussed general areas of possible joint ventures and increased trade, such as in cattle breeding and beef production, timber and rice.

The possibility of Guyana providing Barbados with fruits and vegetables and fish in the off-season was also discussed.

The parties agreed that the talks, which were only of a general and exploratory nature, should be followed up by further sectoral meetings.

In addition to Trade Ministry officials, the meeting was attended by representatives from the Barbados Export Promotion Corporation. The Barbados Chamber of Commerce and the Barbados Manufacturers' Association.

The Information Service quoted Mr Murray as saying that the mission was interested in identifying issues and problems hindering expansion of trade and economic cooperation in the Caribbean, and in working out mechanisms to correct the bottlenecks.

He also expressed the hope that a general set of principles or a framework for the promotion of trade could be set up.

Tull said that trade in Caricom was at a sufficiently critical point to make talks on an improvement vital. However, he told the Guyanese that Barbados was cautious about bilateral agreements which sometimes run counter to the spirit and letter of Caricom.

The Guyanese trade minister agreed that this was an important consideration in the work of his mission, BGIS said.

He said that his mission will be presenting possible joint ventures proposals and projects to the various Caricom states that would lead to an expansion of Guyana trade within Caricom.

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INCREASED TRADE BETWEEN BRAZIL, CUBA DISCUSSED

Cuba's Import Needs

Sao Paulo EXAME in Portuguese 30 Oct 85 pp 64-66

[Article by Marcelo Bairao, from Havana]

[Text] A somewhat more observant traveler arriving in Cuba today would certainly be surprised to come upon three prefabricated houses from Brazil's Serv Lease in the middle of Hemingway Marina, in the pleasant Barlovento Quarter of Havana. Nor would it be difficult to notice that the T-shirts printed with "Cuba te espera" bear the Hering label. In the same way, the traveler would see Arno fans, Termolar thermos bottles and Securit or Mobilinea furniture. He might even ride in a "Kombi" manufactured by Volkswagen of Brazil.

In fact, these are only some examples of products which Brazil is selling to Cuba, despite all the limitations imposed by the inexistence of diplomatic relations between the two countries. The sales reveal a discreet, but growing trade. Last year, sales to Cuba amounted to $1 million; this year they will reach $4.5 million and in 1986, whether diplomatic relations are resumed or not, sales should exceed $40 million.

Businessmen Visit

Technically speaking, it is understandable that these figures do not appear in the CACEX [Foreign Trade Department of the Bank of Brazil] statistics; the exports follow a triangular route, through Panama or Argentina, and almost all of them are handled by COMINTER, a Brazilian trading company formed 2 years ago by Frederico Aflalo. Aflalo has developed a very close relationship with CIMEX, a Cuban-Panamanian foreign trade firm. (See table)

Because he has gained an "in" with the Cuban authorities, it is not unusual for Aflalo to open his home to Brazilian businessmen interested in doing business with Cuba. Last September, for example, he was host to Luiz Suplicy Haffers, Sao Paulo businessman and director of several companies.

Table: Cuba in Numbers

Population	10 million
Gross National Product	$32.6 billion
Per Capita Income	$3,260
Growth of GNP (1984)	7.4 percent
Unemployment Rate (1981)	1.9 percent
Life Expectancy	73 years
Infant Mortality Rate (per 1,000 live births - 1984)	15
Educational Level	
Primary (1984)	97.3 percent
Secondary (1982)	84.4 percent
Higher (1983)	19 percent
Average Wage Increase (1984)	3.2 percent
Foreign Trade (1984)	
Exports	$6.8 billion
Imports	$9 billion
Deficit	$2.2 billion
Foreign Debt (capitalist countries, 1984)	$3.8 billion

Privileged Partner

The winds of the New Republic are favorable for a future resumption of relations between Cuba and Brazil. Even before this, however, trade between the two countries has already had the unofficial support of the government. Thanks to this discreet encouragement, the interest of the Brazilian firms and the receptiveness of the Cuban authorities, sales to Cuba should total $4.5 million this year. This figure includes an alcohol distillery, paper, vehicles, building materials, furniture, household appliances, shoes and ready-to-wear clothing. It is estimated that, with the resumption of diplomatic relations, Brazilian sales to Cuba could reach $200 million annually, a sales figure equal to that of Japan, which is currently Cuba's strongest trading partner in the capitalist area. Cuba conducts only 15 percent of its trade with this area, but its interest in Brazil may be attributed to several factors, beginning with geographic proximity. More important, Brazil has a reasonably well developed industrial park and offers competitive prices, which makes the country a privileged supplier for the Cuban market.

In the next few years, that market is basically going to need equipment, technology and capital to renovate some obsolete sectors and to improve the general efficiency of the economy. Above all, however, Cuba is going to direct its purchases toward accelerating the industrialization process, to reduce its dependence on imports and to diversify its export base, still centered predominantly on sugar, which accounts for 70 percent of Cuba's foreign exchange revenues.

Foreign Debt

This great dependence on sugar, along with the financial squeeze provoked by the foreign debt, has led Cuba to make an effort to renegotiate its foreign loans, as part of a strategy to resume the industrial development plans. Part of the debt with the Soviet Union, estimated at $14 billion, should begin to be repaid in 1986 and has been renegotiated, under unknown terms. The other debt, with the capitalist countries, estimated at $3.8 billion, has also been the subject of renegotiation, through the Club of Paris. The 1985 payments, totaling $250 million, have also been rescaled.

With the foreign debt obstacle, the country's industrialization plans suffered a severe blow after 1982. In 1985, however, after resolving its financial problems, Cuba resumed its projects in this area. According to the annual report of the National Bank of Cuba, there are plans for an increase of $130 million in non-sugar exports--about 7 percent over last year. For the 5-year period 1986-1990, exports of this type are expected to increase slightly more than $1 billion over the levels registered in 1984.

Possibilities for trade with Cuba for the next 5 years should be viewed from the standpoint of increased Cuban purchases abroad. The 5-year plan for 1986/1990, still in the drafting stage, calls for investing $5 billion annually, in a strong program to substitute for imports and to diversify Cuba's export list.

From Factories to Kombis

A good example of these trade opportunities are the negotiations which COMINTER expects to conclude by next year. The list is headed by a $25 million thermoelectric plant, constructed by a consortium formed by Dedini, Siemens and Sade. The list continues with two $10 million deals--a continuous rolling mill from UPIMEC and a textile resins plant, from Jaragua--and concludes with sales of paper, vehicles, telephone lines and stations, railway material and components for alcohol and sugar refineries.

Before bilateral trade can be launched, Brazil and Cuba will have to overcome some institutional obstacles. If, on one hand, there is much for Cuba to purchase from Brazil, on the other hand, Cuba has little to offer to the Brazilians--something between 200,000 and 300,000 tons a year of petroleum, naphtha, nickle, pig iron and nonferrous metals, and that's all. As Alberto Bettancourt, Cuban vice minister of foreign trade, has said, since it will be almost one-sided, the development of the trade will thus depend on Brazil's capacity to guarantee lines of credit for Cuban purchases of Brazilian products, as is done, incidentally, by other trading partners of Cuba, such as Argentina.

Tourism

In any case, the Cubans know that, from the standpoint of technology, price and quality, Brazil is one of the best Latin American trading partners for meeting their needs. Hence they are prepared to examine other possibilities, ranging from joint ventures in their own country or in African countries where Cuba is influential, to a scheme for opening up the market for Brazilian products in the socialist countries.

Cuba already has some experience with joint undertakings, such as an association with Lois, a European jeans manufacturer which has installed a factory in

Havana. Tourism is another sector open to this type of joint undertaking. This year Cuba will take in about $100 million in tourist revenues and intends to double that figure in the next 5 years, which will call for remodeling and expanding its network of hotels.

According to Jose Gorra Rodrigues, director of the Cuban National Institute of Tourism, this expansion will require construction of 2,000 more rooms on the famous beach of Varadero, the same number of rooms in Havana and another 1,000 rooms in Cayo Largo--an islet about 30 minutes by air from Havana, with 25 kilometers of beaches, maintained in their natural state--considered a free port, where one can enter without need of a passport or visa.

Two Hotels

"At Brazil's level of development, it is in a position to take part in these ventures in several ways, supplying equipment or by direct inversions," Rodrigues said. In this case, Brazil already has at least some presence in the area. COMINTER has just received CACEX approval for $12.7 million in financing, underwritten by a German bank, for construction of two hotels in Varadero, where the Cuban Government is also going to invest $8.4 million.

COMINTER has also asked CACEX to approve financing in the amount of $28 million for construction of three hotels in Cayo Largo and another $60 million for the design of a master plan and works in the Hemingway Marina in Havana. In the Marina, construction will be handled by Serv Lease, which has already sold prefabricated houses and is negotiating further sales. The works will call for steel exports from COSIPA [Sao Paulo Iron and Steel Company] and USIMINAS [Minas Gerais Iron and Steel Company], lumber from various Brazilian companies and countless other items. This may be the greatest advantage of normalizing trade with Cuba. The products which interest the Cubans are the ones which Brazil is selling on its own domestic market. Thus, Cuba represents a new space to be filled, without entailing further costs of adaptation or very special marketing efforts. It is not a huge space, but it is certainly worth filling.

Brazilian Who Gambled on Cuba

Some 10 years ago, when he began to do business with Cuba, Pernambucan Frederico Aflalo, aged 49, was then an official of DAVAR, a trading company no longer in existence. He was seen, at the least, as a visionary executive. After all, aside from the fact that the two countries did not have diplomatic relations, the very mention of Cuba could give rise to even personal complications. "But I always felt that I could be opening up an interesting market for Brazilian products," Aflalo explains. In fact, with the expectation of realizing $40 million in exports next year and of a resumption of diplomatic relations in the near future, Aflalo feels his efforts are being rewarded.

After DAVAR, Aflalo was an official of Port Trading for 4 years, during which he continued to broaden his contacts with the Cubans and even competed for a contract in 1981 for the sale of 600 trucks; he entered the competition armed with Scania, Wolkswagen and Terex. Then, 2 years ago, he decided the time had come to form his own company. He created COMINTER, which will bring in $2 million in 1985, most of it from business with Cuba.

With the resumption of relations between Cuba and Brazil, Aflalo expects to keep the lead in private negotiations between the two countries. Theoretically, because of his countless contacts, this will not be difficult. On the Brazilian side, he has almost always had discreet support from CACEX and Itamaraty and has been well received by Brazilian businessmen. On the Cuban side, in addition to maintaining close relations with CIMEX (one of the most important foreign trade enterprises in Cuba), Aflalo has the confidence of government circles and has become a personal friend of several ministers and vice ministers. Aflalo frequently entertains these officials and Brazilian businessmen who visit the island often, in the house which he rents in the Marina Hemingway, in Havana.

'They Don't Buy Rubbish'

Sao Paulo EXAME in Portuguese 30 Oct 85 p 65

[Comments by Luiz Suplicy Haffera, a Sao Paulo businessman with dealings in several sectors, particularly coffee and paper]

[Text] "The similarities between Brazil and Cuba are a pleasant surprise: the food, the physical appearance of the people and their amiability, along with the economic phase which Cuba is experiencing now, in some ways very like that of some areas in Brazil, especially those with a reasonably good agriculture and a great willingness and need to expand.

"As a capitalist businessman--and without going into the merits of the system chosen by Cuba, with which I disagree, although I do not deny it has some advantages--I can see that Cuba has arrived at technological stagnation, a bottleneck that Brazil can help to break, with the participation of Brazilian businessmen.

"In this case, it is well to remember that the Cubans know very well what they want; they know what they know and they know what they don't know--which is already a great advantage. Through the various trips they have made to Brazil, they know we have what they need. Thus, the businessman who goes to Cuba must offer them what they need and not what he is attmepting to sell. Our businessman must be imbued with the humility of a salesman; he must adapt to the needs of the system--which is slow, but is not to be taken lightly and is very well defined.

"The areas of interest to the Cubans are the rehabilitation of the existing industrial park, transportation and communications, along with intermediate technologies of the Brazilian type, which mesh perfectly with Cuban requirements, since they are more labor-intensive than capital intensive. The agricultural area, particularly the sugar cane refineries, represents a great market for replacement and renovation. One of the obstacles which I sense in the possibilities for Cuban-Brazilian trade is that I do not see what we can purchase from them. However, this could be overcome through agreements by which Cuba could be a bridge for the placement of Brazilian products in socialist markets.

"Politically, it is interesting that we have had relations with Cuba as long as the political options have been mutually respected. We have 85 percent of things in common and we differ in 15 percent. Therefore, we are going to deal with things on which we are in agreement and respect our disagreements. So, just as it is not the place of our businessmen to conduct an open campaign in defense of the free market, it is not the Cubans' place to inject their political militancy into business matters.

"The Brazilian businessman who is interested in Cuba must be made fully aware, in any event, that he is going to provide a service, he is going to sell something, and he must be absolutely honest, because if he does something foolish he will be finished. The level of decision-making in Cuba is very high and they are definitely not going to buy rubbish.

"It must be remembered, finally, that Cuba represents a market of only 10 million people, smaller than the population of Sao Paulo, both in numbers and in purchasing power. Thus the resumption of diplomatic relations with Cuba will not be any panacea. This is not any kind of brilliant solution for Brazil. At any rate, it is certainly an interesting and dynamic market, with an initial purchasing power of $50 million."

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CSO: 8042/0622

ANTIGUA AND BARBUDA

LESTER BIRD'S ADDRESS TO HEADS OF MISSION CONFERENCE

St Johns HERALD in English 10 Jan 86 pp 3, 14

[Address by Deputy Prime Minister Lester Bird to Antigua and Barbuda heads of diplomatic missions abroad, at the Barrymore Hotel, St Johns, on 6 January 1986]

[Excerpts]

Much has been done in a very short space of time. Indeed the scale of what has been achieved is greatly out of proportion to the size and resources of our country. How then did we do it? We did it by proving that despite the size of our country and in spite of our lack of military might and economic clout, we have the intellectual capacity to make a significant contribution to affairs of the world and to engender faith among other nations. In this, we have given cause for pride to Antiguans and Barbudans at home and abroad.

The road has not been smooth; we encountered many pitfalls along the way and these have by no means diminished. The international environment today is highly charged with a great deal of unease.

POSITION ON SOUTH AFRICA

Southern Africa is boiling to the point of explosion. The winds of change which Harold MacMillan spoke of in 1960 as "blowing through the continent of Africa" have now reached hurricane proportions in South Africa. The intransigence of some nations, in failing to use the full force of their influence to bring fundamental change to the Apartheid system, fills the world with deep foreboding. The prospects for South Africa appear to be like the river Tiber to the Roman - "flowing with much blood".

Like other Commonwealth countries, we repose a great deal of hope in the Group of Eminent Persons, established by our Heads of Government, to encourage the evolution of the process of political dialogue in South Africa. We are anxious that large-scale bloodshed be avoided. But, at the same time, we are deeply disturbed at the callous actions of the Pretoria regime despite the olive branch of the Group of Eminent Persons which has been offered to them.

Their callous actions include the arrest of Mrs. Winnie Mandela for her desire to live in her own home in her own country, incursions into the sovereign territory of Lesotho and threats to the territorial integrity of Zimbabwe.

The Pretoria regime, and those Governments which continue to blind their eyes to the intractable behaviour of the regime, should understand that, the Group of Eminent Persons notwithstanding, many countries, Antigua and Barbuda included, will not fail to take appropriate action at the UN, in the Commonwealth and elsewhere if the South African Government continues its regiment of terror.

I would use this opportunity to once again publicly call on the Governments, which are able to influence the South African regime, to urge them to turn away from the clutch of repression and embrace discussion in its stead.

"WE WON'T RETREAT INTERNATIONALISM"

Frustration with our inability to move some nations to action on the question of South Africa, is only one element in a series of factors which have given rise to a feeling of frustration among small countries such as ours. A fundamental part of such frustration is an apparent unwillingness by some powerful, developed nations to satisfy one of the principal purposes of the United Nations system which is, inter alia, "to achieve international co-operation in solving international problems of an economic character". Despite our pleas for reform of the World Bank and the IMF to better address the urgent development problems of poor states, some countries have found it more convenient to withdraw from organisations such as UNESCO.

It has not escaped our notice that some developed countries are ready to withdraw from organisations in which they have only one vote, but are unwilling to discuss reforms of those organisations over which they have the power to control.

In 1986 and beyond, it will fall to countries, such as ours, to persuade our friends in the developed world that reform of the international system cannot be predicated only on the interests of a few. If they can advocate that after 40 years, UNESCO is in need of reform, then they must acknowledge the same for the World Bank; if they can espouse the virtues of change in UNCTAD, then they must recognise the value of modification in the IMF. As Commonwealth Heads of Government asserted at the meeting in Nassau in October, "we recognise that the United Nations and its institutions are not without imperfections, but we are convinced that the solution lies not in their rejection but in their rejuvenation". In this connection, Antigua and Barbuda will not hearken to the call of those more radical elements in the Third World which urge a delinking from the international system. We will not walk away from the World Bank and the IMF because we are frustrated, but at the same time we will not condone those who withdraw from UN agencies because they are dissatisfied. No country, developed or developing, can have its cake and eat it.

OVERSEAS MISSIONS ARE CONCERNED ABOUT DEVELOPMENTS AT HOME

The term "foreign affairs" has a connotation of something which has nothing to do with domestic affairs. Hence, I believe that while our people have taken pride in our country's ability to hold its own among other nations in the world and, upon occasion, to give leadership, the view has developed that the work of "foreign affairs" has little to do with the reality of conditions at home.

I would like to take this opportunity to dispel this false assumption by explaining in some detail the basis for the operation of our Missions abroad.

In the first place, like every other nation in the world, the operation of our foreign policy is an extension of our domestic concerns. The priority of our domestic concerns is development - development in economic terms, but also in cultural and human terms. Therefore, in the UN, UNESCO, the Commonwealth, the OAS, in CARICOM and the OECS, we argue for, and give support to, those propositions which offer us the opportunity for development. This is why we strongly support the arguments for global negotiations on a new economic order; it is why we support UNESCO which provides assistance for cultural and human development.

We are also concerned about the security of our state from incursions by hostile elements including drug-traffickers. For this reason, we have supported the Regional Security System in the OECS and we support universality of Latin American and Caribbean membership of the OAS; it is also why we place great store in the United Nations and its capacity to provide collective security if member nations would allow it to fulfill its mandate under the charter.

Over the last four years, we have received millions of dollars of assistance from multi-lateral organisations such as UNDP, UNESCO, FAO, the Commonwealth Foundation, the European Economic Community and the Organisation of American States. Such assistance has been additional to the bilateral help which we have secured from our friends in Canada, the USA, the United Kingdom, South Korea and the People's Republic of China.

But the assistance, which we have mobilised from multilateral organisations, has been as a direct result of efforts made by our Missions abroad which have a development function in addition to their international political dimension.

The term "foreign affairs" in relation to my Ministry, therefore, is more than a little misleading for the Ministry is deeply concerned with development pre-occupations at home and our Missions abroad are geared towards addressing the development needs of our country.

ENVOYS WILL MEET THE PEOPLE

An important part of the work of our envoys this week will be to pick up the pulse of the nation, to traverse the length and breadth of the country and talk to people in all walks of life. Over the next few days, therefore, our envoys will visit the Holberton Hospital, they will talk with the Women's Desk, they will meet with young people and they will go out to agricultural projects. They will hear, at first hand, what the people perceive as needs and priorities.

When our envoys speak at the UN, in UNESCO, in Commonwealth Committees, in the African Caribbean and Pacific Group and in the OAS, they will do so with a full appreciation of the authentic views of the nation. Their voices will be raised in harmony, not in discord, with the aspirations of our people.

Over the course of the next few days, we will review the foreign policy of Antigua and Barbuda. We will confirm and strengthen some strategies and we will discard others; we will set some priorities and establish new goals.

THE BASIS FOR OUR FOREIGN AFFAIRS

In conducting this examination, we will be guided by two overriding commitments. The first is a commitment to the development of Antigua and Barbuda in social, cultural and economic terms, and, the second is a commitment to the maintenance of world order. For the development of Antigua and Barbuda cannot occur in isolation from events in the rest of the world. A world, troubled by conflict and beset with economic difficulties, will not pass us by. Our orderly development will not occur if there is disorder in the world.

In this connection, as a country which is highly dependent upon tourism we have an obligation to denounce, and actively work against, international terrorism, especially the hijacking of aircrafts, and the planting of bombs in airports. We cannot delude ourselves into believing that this matter does not affect us for it could easily happen here. Increasingly, terrorists are demonstrating that their operations know no borders and respect no boundaries. Moreover, Antigua and Barbuda's attractiveness to tourists could itself be a lure for the undesirable attention of terrorist, intent on the airlines and passengers calling here.

We have recently adhered to international Treaties governing the hijacking of aircraft, unlawful acts against the safety of civil aviation and offences committed on board aircraft, but this is not enough. At the international level, we have to actively join with other nations to promote the strongest possible action against terrorists, while taking every step at home to improve and strengthen security at our airport and sea port.

ANTI-DRUG FIGHT

In a similar context, our country is already an unwilling transit point for international drug-traffickers touting their wages in the United States. Those drugs are being pushed in our community with debilitating effects upon our youth.

I make no apology for personally resisting drug-trafficking in this country for I will not stand by idly while the flower of our youth wilts and withers, victims of the worse purveyors of human suffering this century.

To counteract this menace, action is required not only at home, but abroad. For we have to join with other nations in every forum to devise means of riding the world of the cancerous growth of this terrible evil.

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CSO: 3298/318

ANTIGUA AND BARBUDA

BRIEFS

NEW MARITIME DEPARTMENT--The Antigua and Barbuda Government has announced the setting up of a new Department of Maritime Affairs and Merchant Shipping, which became operational from January 1st, 1986. The Department is headed by Mr. George Benjamin, who until recently was the Port Manager at the Deep Water Harbour. He explained that the new Department has been established 'primarily to register vessels.' He added that all ships that trade must be registered and have a 'home-port'. The new registering facility will operate much like a 'Flag of Convenience', but because Antigua and Barbuda is now a member of the International Maritime Organisation (IMO), there are certain Conventions to which it has to adhere. In addition to the registration, there will also be an Antigua and Barbuda Bureau of Shipping. Antigua and Barbuda's Overseas Mission will play an important role in the whole registration process. Mr Benjamin said they will be empowered to issue provisional registration to vessels, until the proper registration has been processed in Antigua and issued. Mr Benjamin explained that Government entered into the registration of ships mainly as a revenue generator for the country. During this first year, the department is hoping to gross close to half a million dollars. [Excerpts] [St Johns HERALD in English 10 Jan 86 p 8] /9274

CSO: 3298/318

ARGENTINA

POLL REVEALS STRONG OPPOSITION TO POSSIBLE AMNESTY LAW

Buenos Aires SOMOS in Spanish 18 Dec 85 pp 4-8, 10

[Text] The image of the government headed by Raul Alfonsin, like that of the Austral Plan, has widespread acceptance among the voters in the federal capital and Greater Buenos Aires. The majority of the population favors maintaining the price freeze and intensifying the controls over them but, at the same time, is inclined in favor of granting wage hikes. On the other hand, the bulk of the metropolitan population would harbor a strong rejection of the possible issuance of a law putting a "final end" to the human rights problem. Those determinations are part of a vast opinion poll on current issues assigned by SOMOS to the firm Burke Market Researchers and Analysts, to establish a profile of what Argentines want and intend for 1986. The research was carried out on 6 and 8 December, and included 400 interviews, in their homes, of residents of the metropolitan area aged 18 and older, involving men and women on all socioeconomic levels.

The poll confirms the fact that the Radical government has a favorable consensus, because 57 percent claimed to be "very," "considerably," or "moderately" satisfied with the current administration: nearly 6 out of every 10 voters in the metropolitan area. In the fine breakdown, the poll reveals that, of those who voted for the UCR [Radical Civic Union] candidates for deputy on 3 November, 57 percent claimed to be "very" or "considerably satisfied" and only 7 percent said that they were "little" or "not at all satisfied" with the government. Among those who supported some of the Peronist factions, 58 percent declared themselves to be "little" or "not at all satisfied" and only 10 percent admitted to being "very" or "considerably satisfied."

But although the government is viewed favorably by the majority of those polled, its image has suffered a certain amount of deterioration, if one takes into account polls taken by Burke during previous months: The proportion of voters who claimed to be "very" or "considerably" satisfied with the government dropped from 40 percent in March to 32 percent in August, and from that to 28 percent in the SOMOS-Burke poll. Nevertheless, the decline would be less if there were included in the favorable image the "moderately satisfied" opinions which, when added to the "very" and "considerably satisfied" ones, would total 74 percent in March, 68 percent in August, and 67 percent in December. The Burke analysts note that the erosion of the image was greater between March and

August than between August and December: The reduction in the speed of the decline would presumably be based on the enactment of the Austral Plan and the trials of the military juntas.

The Austral Plan

The satisfaction with the results of the Austral Plan is slightly greater than with the government's administration as a whole: Seven out of every 10 persons polled expressed their approval or acceptance of the policy announced on 14 June. The clearcut polarization that occured between Peronists and Radicals regarding the overall administration is even maintained (although modified in the PJ [Justicialist Party])with respect to the economic plan: Among those who voted for the different Peronist movements in November, 23 percent claimed to be "very" or "considerably satisfied," and 58 percent were "little" or "not at all satisfied" with the Austral Plan. On the other hand, 65 percent of the Radical voters said that they were "very" or "considerably satisfied," and only 10 percent declared themselves "little" or "not at all satisfied."

The SOMOS-Burke research brought some telling conclusions (which are not devoid of contradictions) regarding specific features of the Austral Plan's progress up until the beginning of December:

Consumer prices. Few of those polled claim that the freeze on prices of items of prime necessity has been absolute: 67 percent of those polled thought that since 14 June the prices of those items increased "a little," 13 percent thought that they had increased "much," and only 16 percent claimed that they had dropped "a little" or "much."

Public service rates and taxes. The state's failure to fulfill the freeze is the point most criticized and most vulnerable: 41 percent claimed that the rates and taxes had risen "much" (as compared with 13 percent who had the same opinion about the items of prime necessity); 37 percent said that they had increased "a little," and 19 percent thought that they had remained "unchanged" and that none had dropped.

Employment or jobs. Over five out of every 10 interviewed thought that unemployment had increased in recent months: 17 percent said that the employment index had declined "much" since June; 35 percent said that it had dropped "a little"; and 40 percent ventured to say that this variable had remained stationary.

Wages and other income. The position toward the trend in wages is somewhat less pessimistic than with regard to employment: 22 percent said that they had dropped "a little"; 12 percent, that they had declined "much"; and 56 percent, that they had remained "unchanged"; while only 6 percent claimed that a moderate increase had occurred.

Supplies. Between seven and eight out of every 10 adult persons polled said that they had not noticed any signs of the typical shortage process inherent in price control plans: 69 percent thought that the supply of products of prime necessity had remained "unchanged"; 17 percent, that it had "declined slightly"; and 11 percent, that it had "increased a little" or "much."

Parallel dollar. 87 percent of those interviewed proved that the interest in the dollar's evolution on the "black" market still remains, while 13 percent gave no opinion. In the view of 60 percent, the parallel dollar "declined much" or "a little"; 21 percent thought that it remained "stationary"; and only 6 percent interpreted a moderate or sizable increase.

Passive interest rates. The responses from the bulk of those polled would indicate that the public has not been able to accustom itself to thinking in real terms about the interest rates paid by banks and financial institutions to savers, and continues to compare them with those granted during the previous period of high inflation: 46 percent said that those rates "declined much" or "a little"; 16 percent, that they are stationary; and 7 percent, that they "increased much" or "a little"; while nearly half estimated that the rates "declined." 31 percent expressed no opinion, perhaps because they belonged to sectors without opportunities to save.

Active interest rates. 51 percent of the sample had no opinion on the interest rates collected from those seeking loans; 23 percent said that they had declined; 12 percent, that they remain stationary; and 14 percent, that they increased "much" or "a little."

Credit supply. Although 39 percent had no opinion, the positive responses indicate that there is an increase in the supply of credit or financing plans for the purchase of goods: 14 percent said that the supply "increased much"; 22 percent, that "it increased a little"; 17 percent, that it remains "unchanged"; 5 percent, that "it declined a little"; and 3 percent, that "it declined much."

The expectations regarding the evolution of the economy in 1986, on the other hand, indicate (with a combined attitude of "rational expectations" and "expressions of desire") that the population expects moderate increases in prices and public rates, in the dollar and in interest rates, and also moderate increments in employment, wages, the production level and the credit supply, despite the fact that those two types of expectations might prove contradictory to orthodox economists. According to the Burke analysts, the state of expectations suggests that "the favorable consensus regarding the Austral Plan could be broken down in the future between those who value the stability of prices more than the recovery, and those who place increased employment and increases in wages and production on a higher level than that of the battle against inflation."

The Social Climate

The expectations concerning the future also include the effects of the economic policy on the social climate: over half of those polled assumed that the sustained implementation of the Austral Plan could cause "a severe labor unrest during 1986"; 52 percent thought that it was "very" or "quite likely" that next year there would be a wave of strikes and work stoppages; while 17 percent considered that "moderately likely"; 22 percent, "unlikely"' and 6 percent, "not at all likely."

The other side of those expectations lies in the positions of the voters toward the demands for wage increases and the criticism of the Austral Plan by the CGT [General Confederation of Labor]; 15 percent said that they were "very much in agreement" with the CGT; 18 percent,"rather agreed"; 25 percent, "moderately agreed"; while 15 percent said that they were "but little agreed," and 24 percent claimed to be "not at all" agreed with it. Public opinion appears to be extremely polarized on this point, although the opponents of the CGT policy (those who are "but little" or "not at all agreed" with it) represent somewhat more than the steadfast advocates (who are "very" or "rather agreed" with it).

The SOMOS-Burke poll revealed opposing positions regarding the freeze on prices and wages: There is favorable consensus for the freeze and control of prices among the public, but one perceives less conviction regarding the feasibility of whether or not to unfreeze wages; although only 22 percent overtly reject that option. The proportion of those who considered it "very" or "rather feasible" for the government to authorize wage hikes amounts to 37 percent among the November Radical voters, and 75 percent among the Peronists. On the other hand, the maintenance of controls and price freezes is supported by the voters of both majority parties: 74 percent among those from UCR, and 70 percent among those in the Peronist movement.

Public Enterprises

Most of the prejudgments concerning the position of Argentines toward public services enterprises do not correspond to reality, as the SOMOS-Burke poll indicates. In principle, the majority of those interviewed claimed to favor privatization of the leading public enterprises; over 50 percent considered that strategy "very" or "moderately feasible." That rate reached 69 percent in the case of Argentine Railroads, 66 percent for ENTEL [National Telecommunications Enterprise], 61 percent for SEGBA [Greater Buenos Aires Electrical Services], 53 percent for Underground, 52 percent for State Gas, 51 percent for ENCOTEL [National Enterprise for Mail and Telegraph], 48 percent for Argentine Airlines, 48 percent for Sanitation Works, and 46 percent for YPF [Government Oil Deposits].

The correlation between the satisfaction with privatization and criticism of the quality of the services is not very strong, but it exists: The two enterprises rated worst (Railroads and ENTEL) are the ones most often mentioned as "privatizable." An obvious exception in this respect is perhaps YPF, which is not included among those evaluated as best, but ranks in last place among the "privatizable" ones. The section on the image of the enterprises based on the price and quality of their products resulted in the following ratings of a "poor" or "very poor" image: Railroads, 37 percent; ENTEL, 33; Sanitation Works of the Nation, 21; SEGBA, 12; ENCOTEL, 12; YPF, 12; Argentine Airlines, 5; State Gas, 4 percent; and Underground, 4 percent. The "good" or "very good" image benefits State Gas, 76 percent; SEGBA, 68; Underground, 66; ENCOTEL, 57; Sanitation Works, 51; YPF, 45; Airlines, 41; ENTEL, 31 percent; and Railroads, 21 percent. All received criticism and praise, but there are two which are widely reproved: Railroads and ENTEL.

But privatization has its paradoxes: The inhabitants of the capital approve of the transfer of public services to the private sector, but on the condition that they remain in the hands of local business owners. Only 7 percent of those polled considered the transfer of capital abroad "very feasible," and 9 percent deemed it "rather feasible"; while 19 percent viewed the possibility as "moderately feasible"; 16 percent, as "a little," and 44 percent as "not at all feasible." The rate of those not accepting the possible "foreignization" of services totals 60 percent, both among UCR voters and Peronist voters. And the paradox becomes even greater when, in the search for their ideological profile, 58 percent of those polled agreed that, to emerge from the crisis, the country must seek the establishment of foreign companies; while 39 percent were opposed. In short: the majority reject the transfer of state enterprises into the hands of foreign capital, but there is little prejudice against other methods for the establishment of such capital.

In another section of the poll, the exploration of the metropolitan area voters' economic ideology brought these conclusions:

61 percent agree "little" or "not at all" with the state's reducing its expenses through the layoff of public employees; in favor: 38 percent.

85 percent claimed to be "very" or "moderately" agreed with a more stringent price control.

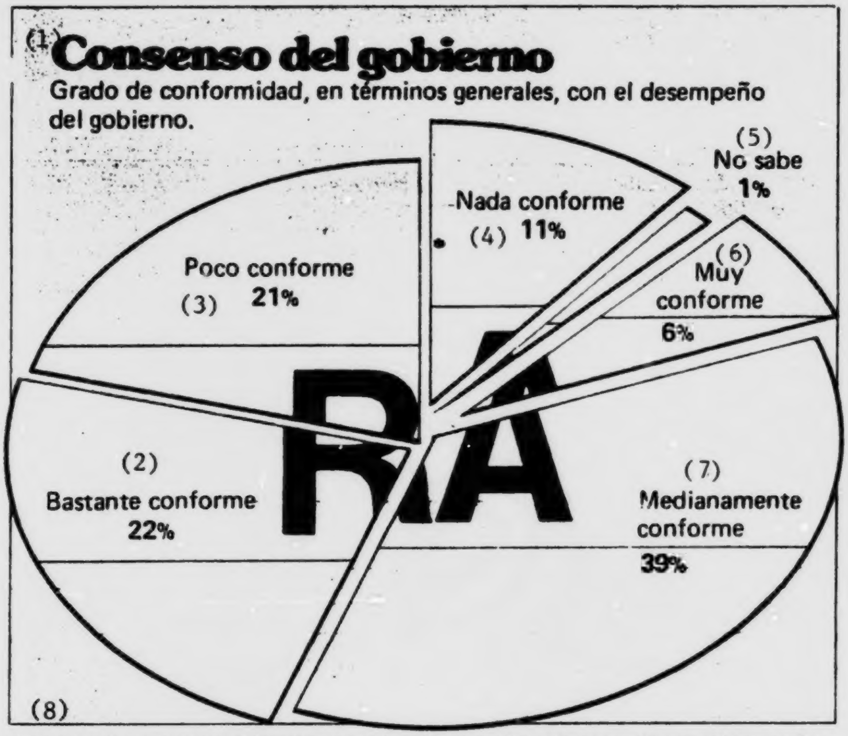
53 percent considered it feasible for the government to raise wages and carry out more public works in order to extricate the country from the crisis; opposed: 42 percent.

60 percent reject the country's concentrating on agricultural and livestock development, at the expense of industrial development; in favor: 39 percent.

48 percent think that the ones mainly responsible for the crisis besetting the country are the IMF and the United States; 43 percent do not believe that this is so.

57 percent are "very" or "moderately agreed" that, in the current situation, the trade unions should refrain from organizing strikes or work stoppages; 41 percent claimed to be "little" or "not at all agreed."

In favor, against, or in between, the economic ideology of Argentines defies any doctrine.



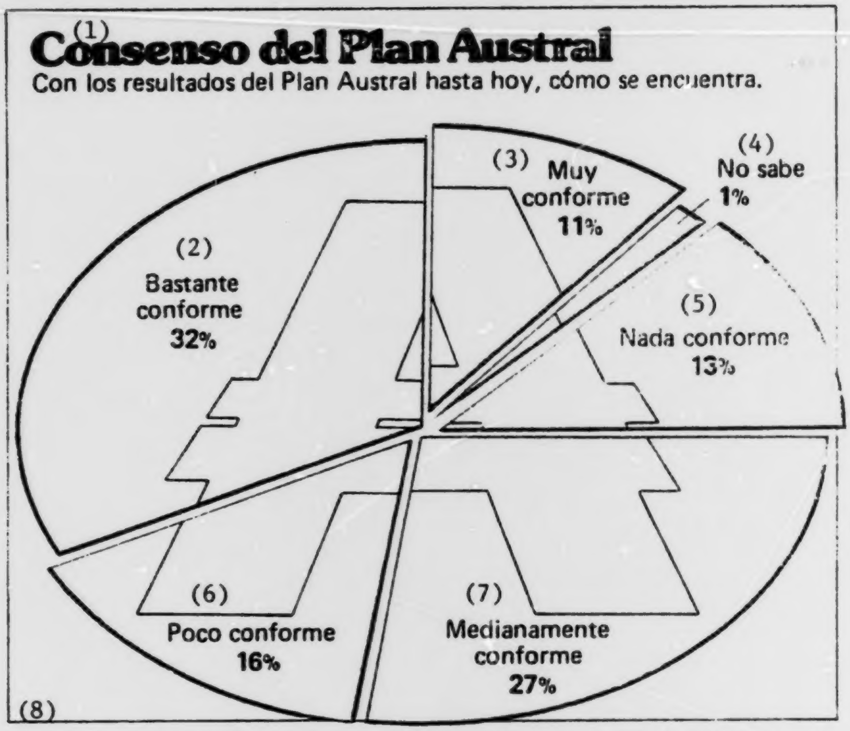
(1) **Consenso del gobierno**

Grado de conformidad, en términos generales, con el desempeño del gobierno.

1. Casi 6 de cada 10 habitantes de la Capital y el Gran Buenos Aires están conformes con el Gobierno. El 6 por ciento esta "muy conforme", el 22 por ciento "bastante conforme" y el 39 por ciento "medianamente conforme". Entre los votantes radicales de noviembre, el 57 por ciento está "muy" o "bastante conforme". El 58 por ciento de los peronistas, "poco" o "nada conforme".

Key to Chart 1:

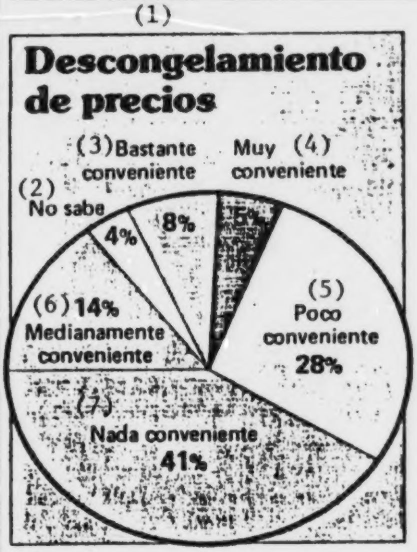
1. Consensus regarding the government: degree of general satisfaction with the government's performance
2. Considerably satisfied
3. Little satisfied
4. Not at all satisfied
5. Don't know
6. Very satisfied
7. Moderately satisfied
8. 1. Nearly 6 out of every 10 inhabitants of the capital and Greater Buenos Aires are satisfied with the government. 6 percent are "very satisfied," 22 percent "considerably satisfied," and 39 percent "moderately satisfied." Among the November Radical voters, 57 percent are "very" or "considerably satisfied." 58 percent of the Peronists are "little" or "not at all satisfied."



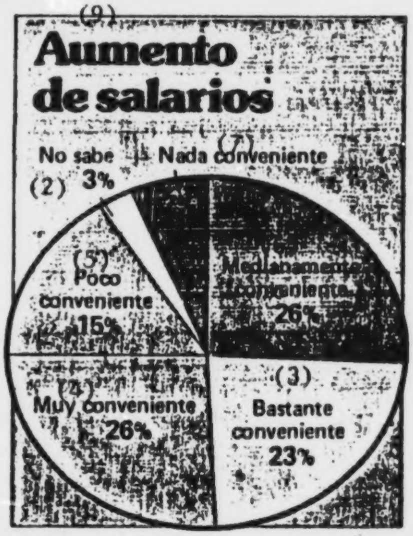
2. El Plan Austral tiene un consenso ligeramente mayor que la gestión gubernamental en su conjunto. Entre los votantes radicales, el 65 por ciento dijo estar "muy" o "bastante conforme", y solo el 10 por ciento se declaro "poco" o "nada conforme". Entre los votantes peronistas, el 23 por ciento se confeso "muy" o "bastante conforme" y el 58 por ciento "poco" o "nada conforme".

Key to Chart 2:

1. Consensus regarding the Austral Plan: with the Austral Plan's results to date, as it stands
2. Considerably satisfied
3. Very satisfied
4. Don't know
5. Not at all satisfied
6. Little satisfied
7. Moderately satisfied
8. The Austral Plan has a slightly greater consensus than the government's management on the whole. Among the Radical voters, 65 percent claimed to be "very" or "considerably satisfied" and only 10 percent declared themselves "little" or "not at all satisfied." Among the Peronist voters, 23 percent admitted to being "very" or "considerably satisfied," and 58 percent, "little" or "not at all satisfied."



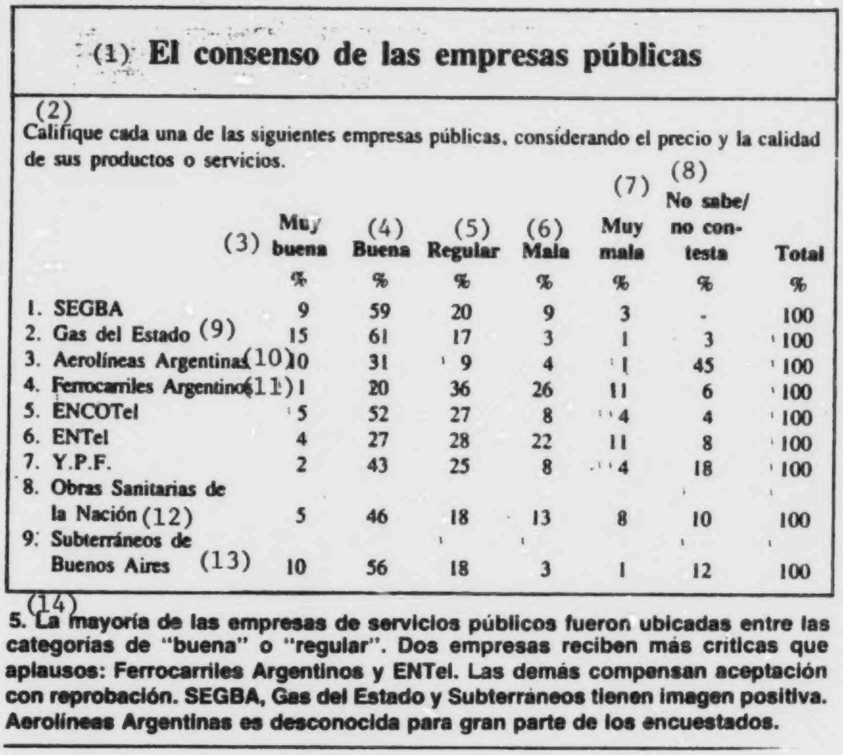
(8) 3. Casi 7 de cada 10 encuestados opinaron contra el descongelamiento de precios, y una parte pidió mayor rigor. Pocos encuestados creen que el congelamiento haya sido absoluto.



(10) 4. Con reservas, la opinión pública se muestra favorable al aumento de salarios. El 22 por ciento rechaza esa alternativa. El 37 por ciento de los votantes de la UCR quiere aumento.

Key to Chart 3:

1. Unfreezing of prices
2. Don't know
3. Rather feasible
4. Very feasible
5. Rather unfeasible
6. Moderately feasible
7. Not at all feasible
8. Nearly seven out of every 10 persons polled were opposed to the unfreezing of prices, and some called for more stringency. Few polled believe that the freeze has been absolute.
9. Wage increase
10. With reservations, the public favors wage increases; 22 percent reject that option; 37 percent of the UCR voters want an increase.



(1) El consenso de las empresas públicas

(2) Califique cada una de las siguientes empresas públicas, considerando el precio y la calidad de sus productos o servicios.

	(3) Muy buena	(4) Buena	(5) Regular	(6) Mala	(7) Muy mala	(8) No sabe/ no contesta	Total
	%	%	%	%	%	%	%
1. SEGBA	9	59	20	9	3	-	100
2. Gas del Estado (9)	15	61	17	3	1	3	100
3. Aerolíneas Argentinas (10)	10	31	9	4	1	45	100
4. Ferrocarriles Argentinos (11)	1	20	36	26	11	6	100
5. ENCOTel	5	52	27	8	4	4	100
6. ENTel	4	27	28	22	11	8	100
7. Y.P.F.	2	43	25	8	4	18	100
8. Obras Sanitarias de la Nación (12)	5	46	18	13	8	10	100
9. Subterráneos de Buenos Aires (13)	10	56	18	3	1	12	100

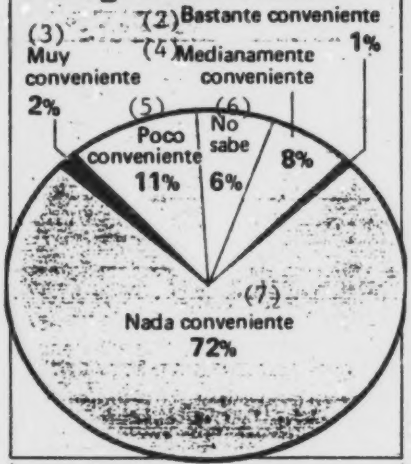
(14)
5. La mayoría de las empresas de servicios públicos fueron ubicadas entre las categorías de "buena" o "regular". Dos empresas reciben más críticas que aplausos: Ferrocarriles Argentinos y ENTel. Las demás compensan aceptación con reprobación. SEGBA, Gas del Estado y Subterráneos tienen imagen positiva. Aerolíneas Argentinas es desconocida para gran parte de los encuestados.

Key to Chart 4:

1. The consensus regarding public enterprises
2. Grade each of the following public enterprises, considering the price and quality of their products or services.
3. Very good
4. Good
5. Fair
6. Poor
7. Very poor
8. Don't know/no answer
9. State Gas
10. Argentine Airlines
11. Argentine Railroads
12. Sanitation Works of the Nation
13. Buenos Aires Underground
14. The majority of the public service enterprises were ranked between grades "good" and "fair." Two enterprises receive more criticism than praise: Argentine Railroads and ENTEL. The others offset acceptance with reproval. SEGBA, State Gas, and Underground have a positive image. Argentine Airlines is unknown to a large number of those polled.

(1)

El "punto final"



(8)

El 83 por ciento de los encuestados consideró *"poco"* o *"nada conveniente"* que el Gobierno dicte una ley que perdone a quienes presuntamente cometieron *"excesos represivos"*. Sólo el 3 por ciento opinó que una eventual medida en ese sentido sería *"muy"* o *"bastante conveniente"* para el país. La tasa de quienes rechazaron una posible legislación de *"punto final"* alcanza al 89 por ciento entre quienes votaron a la UCR y al 75 por ciento entre los que apoyaron a alguna de las fracciones peronistas en la elección del 3 de noviembre.

Key to Chart 5:

1. The "final end"
2. Rather feasible
3. Highly feasible
4. Moderately feasible
5. Rather unfeasible
6. Don't know
7. Not at all feasible
8. 83 percent of those polled consider it "rather unfeasible" or "not at all feasible" for the government to issue a law pardoning those who presumably committed "excessive repression." Only 3 percent thought that a possible measure in that direction would be "highly" or "rather feasible" for the country. The rate of those rejecting a possible "final end" legislation is 89 percent among those who voted for UCR and 75 percent among those who backed one of the Peronist factions in the 3 November election.

Chart 6:

The Privatization of Public Enterprises

How do you view the privatization of the following enterprises for the country?

Enterprise	Highly feasible	Moderately feasible	Rather unfeasible	Not at all feasible	Don't know
SEGBA	30%	31%	12%	20%	7%
State Gas	27	25	15	27	6
Argentine Airlines	28	20	12	24	16
Argentine Railroads	47	22	7	18	6
ENCOTEL	29	22	18	25	6
ENTEL	39	27	9	19	6
YPF	24	22	12	29	13
Sanitation Works of the Nation	27	21	15	30	7
Buenos Aires Underground	32	21	14	26	7

The support for the privatizations bears a certain relationship with the criticism of the quality of the services. In most instances, 50 percent accept the privatizations, but do not approve of the transfer of state enterprises into the hands of foreign capital. The "privatists" number more among the Radical voters than among Peronists: on the average, 58 and 48 percent.

(1) Expectativas económicas

(2)

Con respecto a las siguientes variables, ¿le parece a Ud. que aumentarán mucho, aumentarán poco, se mantendrán sin cambio, disminuirán un poco o disminuirán mucho durante el año próximo?

	(3) Aumentará mucho %	(4) Aumentará un poco %	(5) sin cambio %	(6) Disminuirá un poco %	(7) Disminuirá mucho %	(8) No sabe/ no contesta %	Total %
1. Precios al consumidor de los artículos de primera necesidad (9)	20	65	8	2	-	5	100
2. Tarifas de servicios públicos e impuestos (10)	28	54	13	1	-	4	100
3. Empleo u ocupación (11)	-	35	38	17	6	4	100
4. Salarios y otros ingresos de los trabajadores (12)	2	59	21	9	4	5	100
5. Abastecimiento de productos de primera necesidad en los comercios (13)	3	18	62	9	1	7	100
6. Valor del dólar paralelo (14)	7	33	30	6	1	23	100
7. Tasas de interés pagadas por los bancos y financieras a los ahorristas (15)	1	26	29	10	1	33	100
8. Tasas de interés cobradas a quienes piden préstamos (16)	4	27	23	4	1	41	100
9. Oferta de créditos o planes de pago para la financiación de compra de bienes (17)	8	30	21	2	1	38	100
10. Nivel de la producción industrial en el país (18)	5	40	29	12	3	11	100

(19)

8. Las expectativas indican que "el consenso favorable en torno del Plan Austral puede romperse en el futuro entre los que valorizan más la estabilidad de precios que la recuperación y los que colocan el crecimiento del empleo, de los salarios y la producción en un rango superior al de la lucha contra la inflación".

Key to Chart 7:

1. Economic expectations
2. With regard to the following variables, do you think that they will increase much, increase a little, remain unchanged, decline a little or decline much during next year?
3. Will increase much
4. Will increase a little
5. Unchanged
6. Will decline a little
7. Will decline much
8. Don't know/no answer
9. Consumer prices of items of prime necessity
10. Public service rates and taxes
11. Employment or jobs
12. Wages and other income of workers
13. Supply of products of prime necessity in business establishments
14. Value of the parallel dollar
15. Interest rates paid by the banks and financial institutions to savers
16. Interest rates charged to those requesting loans
17. Supply of credit or payment plans for financing purchases of goods
18. Industrial production level in the country
19. The expectations indicate that "the favorable consensus regarding the Austral Plan could be broken down in the future between those who value price stability more than recovery and those who put an increase in employment, wages, and production on a higher level than the battle against inflation.

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ARGENTINA

SOURROUILLE ON FOREIGN DEBT, BAKER PLAN FLAWS

Buenos Aires SOMOS in Spanish 18 Dec 85 pp 8-9

[Text] The minister of economy, Juan Sourrouille, assessed the progress of the Austral Plan and James Baker's proposal, and outlined the prospects for next year. Six months after the economic reform was enacted by the government, the minister responded thusly to SOMOS:

On 14 June, the government decided to introduce a substantive change in the groundrules with which the Argentine economy was operating. There was put into effect what is now known as the Austral Plan for economic reform. At that time, we considered it necessary to start the reform, because the levels that the inflation rate had reached were jeopardizing the very consolidation of the democratic plan and, of course, they reflected basic imbalances in the economy.

What was making our pulses throb during June, at the breadth of the step that we were about to take to put an end to this frustrating phase of our economic existence now remains somewhat in the past, but I would like to retrieve two or three arguments.

We believe in seriousness in handling the economic policy; we believe that a government which is incapable of putting its own public sector under a reasonable amount of control can demand little of the rest of the society. One fundamental feature of the reform plan has been putting in order, starting to put in order, the nation's fiscal accounts. Now, the picture is quite different from what we had at the beginning of the year. We have reduced the fiscal deficit substantially, with all the consequences that this entails.

A great deal still remains for us to do but, without question, we can claim at present that some of the goals, perhaps the most significant ones that we had set for ourselves to attain,have been fulfilled to the letter. From the time of the reform, and 6 months have now elapsed, the government has not resorted to financing from the Central Bank for its operations. Seven months ago, we could hardly achieve revenue less than half of the outlays being paid through the General Treasury of the Nation; now, there have been 4 months during which we have been collecting more than we actually spend.

The policy on prices and wages is perhaps the issue on which there is the most pressure from public opinion at present. We consider this a discussion which should be brought up, taking some fundamental objectives into account: sharing the responsibility for the principal asset: namely, that of living without inflation, or with very little inflation. This must be borne in mind constantly.

The present price and wage system is not the one that should prevail over the long term. We have often said that the current freeze situation should play a very important role, and I think that it has, actually, played it. Essentially, rather than a system of pressure, it is a system of reassurance in a process that is aimed at a change of attitude. From the standpoint of economic decisions, it means having more certainty regarding what others are going to do. This is a great help in making one's own decisions.

Another Social Discipline

The freeze has made it possible to effectively follow up all the major basic economic changes that the government has made in its public accounts, in the handling of its foreign debt and in the administration of the financial situation.

There must be some solution to the freeze. The fact is that it has always seemed pertinent to us to consolidate some objectives, so as later to continue ahead. A society that always attempts to solve its conflict problems by thinking that one sector can transfer its cost to another, through a very high inflation rate, must become used to different groundrules for social discipline.

We are taking some steps to explore the possibility of attaining a growth rate with low inflation. It involves making this a general desire, and having the government then do what it should; in other words, manage it well, but not impose it against the wishes of the population. This is not a simple task. It requires establishing certain groundrules, and I think that we have progressed considerably in this respect, with regard to emphasizing the responsible conduct of business owners and workers, so as to be able to consolidate this state of stability. The government thinks that there is a very strong demand for this, and hence it has called for dialogue, while at the same time cautioning that it will use the monetary and fiscal policy to reinforce social discipline in terms of stability.

But there is one matter on which there must not be any ambiguity. The government cannot restrict public spending, reduce the fiscal deficit, keep inflation under control, negotiate the foreign debt, accommodate it within the budget and, at the same time, turn itself into the driving force for the reactivation process. That is a fallacy. At the present time, the recovery of economic activity depends crucially on investment decisions made by the private sector, in the light of the government's policy, but apart from the government's policy. In that respect, there is an open challenge to the private business owner. We have confidence in him.

The scenario in which Argentina finds itself today is more dramatic, because we have certainly not grown during the past 10 years, and we have a major debt ahead of us which must be dealt with. This is the major problem in Argentina's international economic relations at present. Because of the scope of the problem, it must be discussed from a political standpoint, and not strictly from a standpoint involving creditors and debtors.

We believe that there is a shared responsibility in the current debt situation. The present situation cannot be attributed exclusively to the debtors; because the debt is the result of consensual decisions between creditors and debtors and, as such, it must also be assumed in a shared manner.

It must be acknowledged that there have been some changes recently. I am referring to the proposal which the American secretary of the treasury, Mr Baker, submitted in Seoul at the last joint assembly of the IMF and the World Bank.

The point is whether or not it is sufficient, whether or not it will be operative, whether it attacks the main problem. We have some concerns in connection with this. We have a certain amount of concern because expectations could be generated which, at the most, cannot be met; and this really does concern us.

The Difficulties of the Baker Plan

There are at least two areas in which this should be debated at present. One is the issue of the interest rate. The interest rate is very high; one point of the interest rate in the United States represents half a point of the total product for Argentina. Nevertheless, in the proposal that is being discussed, no mention is made of the matter of the interest rate. All that is stated is the recirculation of funds originating in the present interest rate. This is a cause for concern for everyone. We think that to recirculate funds generated at a certain interest rate is a step forward; but we are not sure that this step forward will be sufficient. Obviously, if the interest rate rises two points, this entire recirculation program leaves us in the same situation in which we are today.

On the other hand, a savings of 4.7 points in the interest rate would represent a sum exceeding $15 billion per year. This would eliminate the deficit in current account which, in 1985, would be $10 billion for the entire region. This is the type of joint responsibility that we expect from the creditor countries; because the interest rates are a result of their economic policies.

There is another area in which we also have concern: it is that of the conditionality. If a country has balance of payments problems, it resorts to the International Monetary Fund to solve its current problem. The second part is that of considering the growth problem, which is the one basically emerging as a fundamental commitment in Mr Baker's proposal. But it so happens that a country which is in an agreement with the IMF cannot accept, nor can it incorporate additional proposals for funds, because it would jeopardize the goals agreed upon with the Fund.

The current conditionality systems are aimed at backing adjustment programs with a view toward reducing inflation and ensuring a balance in the external current account, but they do not accommodate growth. This is what should be a topic of discussion, to seek more flexible methods that would make it possible to fulfill the aspirations of the Latin American countries for a growth with stability.

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MILITARY EXPENDITURES DETAILED IN 'SECRET DOCUMENT'

Buenos Aires SOMOS in Spanish 25 Dec 85 pp 20-21

[Text] The response from a high-ranking Defense Ministry official to SOMOS was: "In a country that is becoming impoverished year after year, all the sectors comprising it are being impoverished; the Armed Forces of a poorer Argentina will be poorer." A few floors above, on the 11th story of that ministry, where the sequestered secretary of budget, Esteban Gargiulo, has his office, the passage of personnel from logistics and superintendency of the three branches of service, and from the national guard and prefecture, was incessant.

In their 1983 election campaign, the Radicals promised that the spending of the Armed Forces and security forces would be on the order of 2 percent of the gross domestic product. With the latter estimated at about $60 billion, the figure is equivalent to approximately $1.2 billion in that currency. This means a reduction from the level of 5.38 percent of the GDP that the Armed Forces had been spending between 1980 and 1983 to 2 percent; causing the military to spend 37 percent, no less, of what they were spending during those years.

In fact, the promise was not far from being kept. In 1984, the Armed Forces, including the prefecture and national guard, plus the payments on debts, spent what amounted to 2.7 percent of the GDP, whereas, in 1985, it was planned to raise that figure to 3.1 percent; but after the Austral Plan, it was cut to 2.2 percent.

Insofar as the percentage of the national budget is concerned, the military spent between 28 and 30 percent of the total state outlays between 1978 and 1980. They reduced it to 26 percent in 1982, and 20 percent in 1981; and it was 14 percent in 1983 and 1984, dropping to 11.4 percent in 1985. In percentage of the national budget, it was the lowest since the Arturo Illia administration, and could only be compared with the 14.7 percent under Peronism in 1975. By 1976, it rose to 18 percent, and from there it increased in 1979 and 1980, with a record in 1979, 1980 and 1981.

According to a "secret document" of the Defense Ministry, to which SOMOS had access, the situation is described as follows: "The current structure of the Armed Forces, subject to the reductions observed last year, is undergoing a deterioration in training and capital depletion with regard to equipment. This budget level allows for only minimal operation, and for a limited time. If the appropriation of funds (for 1986) is repeated, without a change in structure, the deterioration will continue, causing increasingly significant damage to the defense capacity."

The history of the military budget since 1970 (analyzed in the "dossier" on which we are commenting) indicates that, in real terms, the military budget was doubled starting in 1978 from the average funds that were provided it between 1970 and 1974. In 1980, the defense budget tripled that of 1972, but by 1983 it had a 40 percent reduction.

Another component that attracts attention is the fact that, between 1970 and 1983, the distribution of the spending among the three branches did not vary. The Army constantly spent 41 percent of the total; the Navy, 34 percent; and the Air Force, 25 percent. There was never any spending based on modernization of equipment or joint planning, but rather on the power structure.

A point which is also noteworthy is the inflexibility of the spending. In the Army, 2 percent is allocated to cover the foreign debt, 60 percent to pay the personnel, 35 percent for operating expenses, and 3 percent for future investments. Stated in dollars, and using a gross product of $60 billion, the Army would have spent an average of about 1.06 billion annually between 1980 and 1983. Each year, of that figure it allocated about $635 million to pay its personnel, approximately $21 million to pay off the foreign debt, about $370 million for operating expenses, and only some $4 million for future investments.

The Navy, on the other hand, is afflicted by the burden of the foreign debt which originated in the reequipment plan , approved in 1974, and which includes the construction of missile-carrying frigates, class 1700 submarines and Super Ethendar aircraft. A total of 41 percent of its budget is earmarked to pay the debts abroad. In other words, out of an estimated budget of about $880 million per year, between 1980 and 1983, appoximately $360 million was allocated each year to pay the debt. For personnel, it appropriated an annual average of 30 percent, equivalent to about $264 million; on operations, it spent an average of 12 percent ($105 million); and, for future investments, it earmarked the remaining 17 percent. That sum is committed to national shipyards, in the form of contracts for frigates, carriers, and submarines; and it represented an annual investment of approximately $150 million.

For the Air Force, however, the total appropriation during those years was equivalent to about $653 million, of which sum it allocated some $32 million per year to pay the foreign debt, approximately $297 million for salaries, some $193 million for operations, and about $110 million for investments; with this amount concentrated on space research, missile operations, rocketry, and the Military Aircraft Factory.

As for the branches' foreign debt, as of 31 December 1984 it totaled $3.554 billion, of which sum $3.297 billion was for the capital debt and $257 million for interest due. That amount represents 7.9 percent of the total national debt; a magnitude comparable to the total budgetary appropriations for all of 1984, or all of 1985.

At the end of 1984, 40 percent of that debt was due, but it was renegotiated in its entirety during 1985. The enterprises in the defense sector had 36 percent of the sector's total foreign debt; the Armed Forces, 61 percent; and the National Antarctic Directorate, 3 percent.

The renegotiation of the debt aided the Navy in particular, a branch whose budget is going to be cut in 1986.

In the salary area, the Defense Ministry upheld the policy of incorporating as an effective improvement in the military salary the loan granted in September of this year, which, on the average, represented an increase of about 30 percent. The Palace of Finance did not have the same opinion, although President Raul Alfonsin is said to have decided in favor of the small income for those in uniform.

It should be borne in mind that a lieutenant general (there are none on active duty) would collect about 550 australes per month today, and a corporal, only something over 100. Without the loan, a corporal would make about 80 australes.

The Defense Ministry is fighting a budgetary appropriation equivalent to 2.6 percent of the GDP, while it is estimated that the cuts in spending for the restructuring that is under way would afford savings of about two points of the GDP. To be sure, all the foregoing does not cover new material supplies, but rather poor maintenance for those already held.

As for the living made by the military, a high-ranking officer (whose wife started working in 1984) commented: "It is not good to have such a low salary, but this served to force us to break the circle of friends among those in uniform. Now, we have more contact with civilians; we or our relatives have to do outside work."

According to regulations, a member of the military may not work anywhere else. Hence, those who do so do not say that they do; but it is estimated that over 50 percent have some other means of earning a living than wearing a uniform.

There are quite a few with a high degree of training, in some professional branch, who have chosen to hang up the uniform forever. One strange thing: Anyone who leaves for such reasons cannot retrieve it.

Military Budget-National Budget-GDP Base June 1985 = 100. In australes.

Period	Total credit authorized by National Treasury	National Treasury Armed Forces budget	% of total	GDP	Armed Forces budget ranks 0-1-2(2)	% of GDP
1970	851	189	22.3	8,797	222	2.5
1971	1,318	244	18.5	12,554	279	2.2
1972	1,970	397	20.1	20,871	443	2.1
1973	4,105	726	17.7	35,585	806	2.3
1974	5,905	1,053	17.8	48,836	1,185	2.4
1975	25,407	3,747	14.7	145,174	4,209	3.0
1976	125,021	22,144	17.7	754,582	24,888	3.3
1977	225,913	52,999	23.5	2,083,976	59,900	2.9
1978	611,421	169,792	27.8	5,179,786	196,900	3.8
1979(3)	1,526,907	444,596	29.1	13,910,617	523,855	3.8
1980(3)	3,480,756	1,015,120	29.2	28,170,003	1,217,838	4.3
1981(3)	7,799,073	2,055,355	26.4	54,508,955	2,549,999	4.7
1982(3)	26,930,340	5,641,761	20.9	158,784,586	6,648,324	4.2
1983(3)	177,289,000	25,736,166	14.5	704,834,277	29,561,209	4.2
1984	871,143,000	128,176,125	14.7	5,320,000,000	146,301,625	2.8
1985(**)	7,427,571,000	845,035,000	11.4	40,415,300,000	901,835,000	2.2
1986						2.6

(1) Includes contribution to special accounts and decentralized agencies, specialized equipment (1974), Directive 1/75 and Regional Context. TAMSE.

(2) The Armed Forces budget (ranks 0-1-2) and special equipment are computed. TAMSE.

(3) Does not include national guard and prefecture debits.

(**) 1985 bill

Includes amortizations and advance payments.

In the first three columns, one observes the military spending as a percentage of the total public spending. In the three to the right, its relation to the GDP. From 1978 to 1983, military spending rose to 30 percent of the budget.

Foreign Debt for Defense as of 31-12-84

	Millions of U.S.$	%
Sector's enterprises	1,280	36
Armed Forces	2,170	61
National Antarctic Directorate	104	3
Total:	3,554	100

In 1984, in percentage of the GDP, the average for 1970-84 was recovered. The Armed Forces' foreign debt is equivalent to twice what they spend in a year. The Navy has most of the debt.

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BAHAMAS

PLP 'POSSIBLE CANDIDATES' LIST RAISES STIR; HANNA IN RACE

McWeemeu's Action

Nassau THE TRIBUNE in English 21 Jan 86 p 1

[Article by Athena Damianos]

[Text]

PRIME MINISTER Lynden Pindling's close friend, Felix ''Mailman'' Bowe, is campaigning against Arthur Hanna in Ann's Town.

PLP chairman Sean McWeeney said today he would be very surprised if Mr Hanna is not the party's candidate for Ann's Town in the next general elections.

The words were barely out of his mouth when Mr Hanna informed The Tribune that the Prime Minister's travelling companion, Felix "Mailman" Bowe, is campaigning against him. Mr Hanna said that Bowe is distributing free T-shirts with his own picture stamped on them.

"He's not even irritating. He's less than a small pimple," Mr Hanna said.

Other reports have reached The Tribune newsroom about Mr Bowe's activities in Ann's Town.

(Sir Lynden, during a TV interview last week, described the dissident group within his party as "a little irritating").

In what is viewed as a mission of intimidation, Mr McWeeney last week announced the names of 10 "possible, potential" PLP candidates without taking the matter to the National General Council or the Candidates Committee. This is thought to be unprecedented in the Bahamas' history of party politics.

Mr McWeeney said today that the purpose of the exercise was to get feedback on the choice of candidates. He denied they were targeted for incumbent areas. The first five of 10 candjdates were identified with Opposition areas. Mr McWeeney implied the other five might be pushed for new seats which, he claimed, may be created.

It is understood that Dr Mathew Rose, one of Mr McWeeney's ''potential'' candidates and a paediatrician, has been campaigning in St Barnabas where Sinclair Outten is the incumbent. Mr Outten spoke out in Parliament against Government corruption following the release of the Commission of Inquiry report.

There are also strong reports that Charlie Major Jr, a ''potential'' candidate and vice-chairman of the PLP, is eyeing the Grant's Town seat.

Bradley Roberts, MP for Grant's Town, has stated within PLP circles that he will not run in the next general elections if the PLP re-nominates Kendal Nottage (St Agnes), whom the Commission of Inquiry found fronted for a New England mafia figure/drug trafficker. Mr Roberts yesterday had no comment to make on the matter.

It is understood that Winton Peat, another ''potential'' candidate, may run in Salem and John Martin is interested in the West End seat. The constituencies are represented by David Knowles and Moses Hall, respectively.

Mr McWeeney denied that he named the ''potential'' candidates on the wish of Sir Lynden. Asked if he made the announcement following consultation with Sir Lynden, he replied: "I am not prepared to go beyond that. That is an internal matter."

He said he would be extremely surprised if Charlie Major is nominated for Grant's Town. He said that Mr Major has not applied for Grant's Town.

"As a sensible person, it is patently clear that this exercise is solely for finding seats for incumbents like myself," Mr Hanna said.

Mr Hanna resigned from Cabinet October, 1984, to protest Government corruption that surfaced before the Commission of Inquiry.

The Commission found that some of Sir Lynden's closest friends and Cabinet colleagues were involved with drug traffickers. It was further found that the Prime Minister spent eight times more than he earned in a seven-year period and accepted large gifts and payments, some from foreign investors. He could not trace the source of two large sums.

"What they're doing now is illegal in the sense that they have not been authorized to publicize any possible, potential candidates. It's also unusual. It's never happened before. It's improper and I think it's really designed to intimidate," Mr Hanna, a member of the Candidates Committee, said.

"I thought the proper way of doing it (selecting candidates) is in accordance with the established procedure. Everybody's being lawless these days."

He said that some of the people who were announced as "potential" candidates have not even applied for the nomination. He said that some have applied for specific areas and others have been invited to apply for incumbent seats. Mr Hanna said that, to the best of his knowledge, "Mailman" Bowe has not applied, although he is campaigning against him.

"I don't think he (McWeeney) would have done it without his leader's concurrence. It's really an insult to the Council and Committee." Mr Hanna said that Mr McWeeney did not consult with him as a member of the Candidates Committee.

St Barnabas MP (PLP) Sinclair Outten said that the whole episode smacks of intimidation.

"It is the first time in the history of the PLP and indeed party politics in this country that any valid political organization has announced possible, potential candidates. It is my view that this is to intimidate the incumbents who have spoken out on the wrongdoings of those in the PLP (who have been condemned by the Commission)," he said.

Mr Outten said it is a known fact that some of the "possible, potential" candidates are campaigning in areas represented by PLP incumbents, especially the "so-called" PLP dissidents.

He said this seems to convey that they have the party's endorsement, when in fact they do not.

Neither Mr Hanna nor Mr Outten would say if they intend to seek re-nomination by the PLP.

"At the end of the day I will do what I have to do," Mr Outten said.

Said Mr Hanna: "That is a hypothetical question. I don't want to prejudge or pre-empt them."

The register of voters expires at the end of the month. It is understood that unless notice of extension has been given, a new register of voters will probably have to be compiled.

The purpose of last week's "name the potential candidates" exercise is viewed as three-fold:

- To overshadow the FNM Convention,
- Find replacements for the dissidents, and
- To send a signal to party members that Sir Lynden's options are open and that they had better stay in line or face being dropped as candidates.

The Saturday edition of The Beacon, published by Cooper's Town MP Hubert Ingraham (PLP), said that Mr McWeeney was impetuous in making the announcement.

"In Sen McWeeney and Sir Lynden's indecent haste to upstage the FNM Convention, they conceived and contrived this brilliant plan to announce candidates," The Beacon said, and continued:

"All that was forgotten, however, was the PLP's Constitution. While in reality, Mr Chairman, the PLP may have become a one-man party, in theory it is still governed by a set of rules, procedures and a Constitution.

"The formal delegation of all powers to the one must still be rubber stamped by the many, Mr Chairman and we hope that you would not forget that!"

The NGC, led by Sir Lynden, last year voted to deny Mr Ingraham a nomination in the next elections. The Council agreed that Mr Ingraham acted against the best interests of the party when he spoke out against corruption and the neglect of the Family Islands in Parliament.

Reaction From FNM

Nassau THE TRIBUNE in English 23 Jan 86 p 1

[Text] THE OPPOSITION FNM today labelled the recent naming by the PLP of "possible, potential" candidates as "the most ridiculous political manoeuvre executed in many a month."

"It was obviously rigged to achieve two purposes - to intimidate PLP Parliamentary backbenchers and to detract from the FNM Convention," party spokesman Arthur Foulkes (Blue Hills) said today.

"It was an exercise in pettiness and we dismiss it as such."

The FNM could not, however, dismiss PLP chairman Sean McWeeney's intimation that some of the "potential" candidates might show an interest in yet to be created constituencies.

"Any attempt to gerrymander House of Assembly seats would only aggravate an already very tense atmosphere and bring more shame to the institution. We warn the Government not to attempt to prostitute the electoral system by gerrymandering," Mr Foulkes said.

He said that the FNM would vigorously oppose such a move.

Last week, Mr McWeeney named 10 "possible, potential" election candidates without taking the matter to the National General Council or Candidates Committee.

Two PLP MPs, former Deputy Prime Minister Arthur Hanna and Sinclair Outten, said the exercise was illegal under the party's constitution and smacks of victimization.

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BAHAMAS

FNM CONVENTION ENDS; ISAACS ADDRESSES FINAL SESSION

Report on Isaacs' Speech

Nassau THE TRIBUNE in English 20 Jan 86 pp 1, 14

[Article by Anthony Forbes]

[Text]

A FREE National Movement Government will "stamp out immediately," the harassment of investors by hordes of con artists, bagmen and assorted leeches seeking something for nothing, Official Opposition Leader Kendal Isaacs promised at the closing of the party's four-day convention Friday night.

"As far as the economy is concerned, one of the first things an FNM Government will do is set about through various means immediately to restore the confidence of Bahamian and foreign investors so that clean money will flow into the country to create jobs," Mr Isaacs said in his national address.

"We will process in a reasonable time, free from unnecessary red tape, all serious proposals for investment," Mr Isaacs said. "Once we have given the go-ahead to any investor, as a mature and responsible Government we will keep our word and abide by our agreement.

"We will stamp out immediately the harasssment of investors by hordes of con artists, bagmen and assorted leeches seeking something for nothing," the Opposition Leader told over 2,000 cheering delegates and supporters crowding the Polaris Hall of the Holiday Inn Hotel on Paradise Island.

The Delaporte MP said that the responsibility of priming the economic pump so as to induce a steady flow of money all the way down the line to farmers, fishermen, domestic workers, insurance, banking, building and small industries, rests squarely with Government.

"If the Government by its policies and attitudes, is perceived by the business and industrial community to be setting bad policies, passing retrogressive legislation, allowing political pedlars to swindle investors, and refusing to play by the rules from day to day, then these agents of economic growth will take their business somewhere else," Mr Isaacs said.

He said that an example of bad legislation is the Immovable Property Act, the folly of which the FNM pointed out at the outset and which now has no less persons than PLP Chairman Sean McWeeney and Holy Cross MP Charles Carter, expressing the view that the Act should be amended or repealed.

Another example, he said, was certain provisions in the Insurance Act which the PLP Government again insisted on passing despite protests and which chased away the lucrative captive insurance business to Bermuda.

"The Government saw the error of their ways and subsequently amended the Act," the Opposition Leader said. "Then they went with hat in hand begging the captive insurance companies to come back."

"Sadly, I must report to you that these are precisely the things which the PLP Government has been doing and allowing in this country," he said. "That is why 21,000 people can't find jobs. That is why the Government can't find enough money to build and repair roads, docks, airstrips, schools and hospitals."

"That is why the PLP has failed to provide proper and sufficient medicine, drinkable water, adequate care of the poor, sick and the aged," he said. "That is why few meaningful enterprises have moved to the Family Islands for so long and these good people are fleeing to the cities of Nassau and Freeport searching for a livelihood."

"The sad truth is there are simply not sufficient jobs in these places either; hence many of our people become devastated, disillusioned and cynical and our cities become even more crowded," the Opposition Leader said.

Mr Isaacs said that decent, honest investors have shown by their actions that they do not trust the PLP Government because the Government does not keep its word.

"These investors either move their businesses to the Cayman Islands, Bermuda, Trinidad, Turks and Caicos or to some other safe areas around the world," he said. "In the meantime the PLP Government beats its chest and boasts of economic independence and making Bahamians millionaires."

He said that Prime Minister Sir Lynden Pindling's pronouncements are "laughable" because his Government's efforts are feeble at best and its reputation in the outside world has been tarnished miserably as a result of bribery, corruption, political influence peddling and drugs.

"The FNM reiterates with even greater conviction its previously stated policy that the Government should not become involved unnecessarily in the private business sector," he said. "The record shows that the PLP Government has squandered millions of dollars trying to run businesses which are best left to private enterprise."

Mr Isaacs said that the case of the Lucayan Beach Hotel in Freeport is a good example.

He said that the Hotel Corporation, which was until recently under the chairmanship of the Prime Minister, has been refurbishing the Lucayan Beach Hotel for nearly 10 years with millions of dollars, yet it still has not opened.

"This is a scandalous waste of the public's money which could have been put to better use," he said. "Instead, the public has to suffer neglect in essential services and facilities and still has to turn around and pay additional taxes so that the borrowed money of a half billion dollars, interest on the loans and losses can be paid off."

Mr Isaacs said that the FNM, as the Government, will remain committed to the improvement and expansion of the tourist trade.

"We recognize the impact tourism has had upon Nassau and Freeport, but we see an even more exciting expansion and further development of this our number one industry in our beautiful and unspoilt islands," the Opposition Leader said.

He said that national stability, in the FNM's view, can only be assured if the Bahamian people are able to find worthwhile jobs in their own communities rather than overcrowding Nassau and Freeport in search of employment.

He emphasized that an FNM Government is committed to develop the full potential of agriculture, fisheries and light industries, to give Bahamians full participation in the economic development of the country, to help create more jobs and to cut back on the massive annual expenditure for imported foods.

"The PLP Government in our view has been totally insincere about agriculture and fisheries as the glaring neglect all around us indicate," he said. "This neglect and insincerity are further demonstrated each year as the PLP Government talks a lot about agriculture but spends only a little to encourage it."

"An FNM Government will continue the development of our social security system to assist the poor and our senior citizens. We say flatly that the non-contributory pension now paid to our old folks is too little and we will increase it immediately when we become the Government to a more realistic level," Mr Isaacs said.

Assessment of Meeting

Nassau THE TRIBUNE in English 20 Jan 86 pp 1, 14

[Article by Athena Damianos]

[Text]

THE Free National Movement ended their four-day Convention on a strong note Friday, portraying a united, vibrant force in contrast to the splintered Progressive Liberal Party.

Showing statesmanship in the face of adversity created during 19 years of PLP rule (partisan politics, fear, victimization, etc), the party projected the "new direction" the country would take under its leadership; offering practical programmes and solutions instead of merely criticism.

The Convention exploded the myth that the FNM is comprised of "old faces" by bringing out "new blood." A number of young people like Elma Chase, a lawyer and former teacher and acting magistrate, Carl Bethel, a lawyer, showed tremendous potential and demonstrated a high degree of intelligence and self confidence.

"It was an excellent Convention," Kendal Isaacs, who was returned as FNM leader unopposed, said today.

"We wanted to tell the people what our objectives are. I think the shadow ministers and myself outlined these policies - I think we got that across well - and we demonstrated that the party is all together, contrary to the rumours and in contrast to the PLP."

The Convention was the first in two years and is the last that will be held before the next general elections, which must be called by October, 1987. The party took advantage of their live air time to educate the public on aspects of the Commission of Inquiry report, which linked some of the Prime Minister's closest friends and Cabinet colleagues to drug traffickers, and to undercsore the high rate of unemployment.

Mr Isaacs said the fact that The Guardian carried such a long quotation from The Beacon on the Convention in this morning's edition indicates that it too thought the Convention was a tremendous success.

The Beacon, published by Cooper's Town MP Hubert Ingraham, said: "We were most impressed by speeches given by Messrs Wallace-Whitfield, C A Smith, Pierre Dupuch, Orville Turnquest. We also felt Mrs Janet Bostwick, MP Yamacraw, gave an effective, but emotional, speech (our coverage only takes account of events up to Thursday).

"The FNM sought to demonstrate that they are a real alternative to the present governing Progressive Liberal Party possessing meaningful, practical, sensible programmes and policies.

"The alternative to the PLP in government criticised and proposed, condemned and recommended, and provided retrospective analysis, vision and hope for the future. From our observation position (near our TV sets) it appeared that the FNM set out to demonstrate their maturity and that they are deserving of consideration by Bahamian voters as a replacement governing party," The Beacon said.

For the most part, speakers refrained from taking unnecessary low, political swipes at their opponents.

Former chairman and now Deputy Leader Cecil Wallace-Whitfield, the so-called "firebrand" of the FNM, said that the party would "light candles of hope and enlightment rather than cursing the darkness of political ignorance."

"We are a small nation. We cannot afford to go around destroying businesses, taking away jobs, threatening people's livelihood. Unity and harmony among our people is our noblest national objective. Healing the wounds of the nation will be our task and our victory," Mr Whitfield told hundreds of cheering supporters.

Mrs Bostwick touched many a Bahamian when she spoke hauntingly, supported by slides, about the harsh reality of substandard housing in the country - the side of Bahamian life, she said, not referred to by the Prime Minister.

"Like Elma Chase, I too am broken hearted. For I have for almost 18 years witnessed the betrayal of a Bahamian dream. As a teenager, I pledged myself to the fulfilment of the Bahamian dream. And I was then a PLP. My principles, my hopes, my dreams have not changed. The PLP has changed," she said.

Mr Isaacs pledged that the "new direction" would not accommodate men and women who allow themselves to be bribed or corrupted.

Observers felt that through the Convention, the "dove," "hawk" and "the woman" demonstrated that, together, they can make a formidable team.

The appearances of Dr David Allen, chairman of the National Drug Council, and Bahamas Communications and Public Officers Union Keith Archer represented a "coup" for the FNM.

Although his speech was entirely non-political, Dr Allen spoke out against our materialistic lifestyle and loss of values. He reminded Bahamians that it is God who is on the throne. Only recently, Prime Minister Lynden Pindling, perhaps to justify his own sudden display of wealth, has encouraged Bahamians to become millionaires.

Mr Archer, a popular union leader, was the first trade unionist to address an FNM Convention. He criticised Government's action as being inconsistent with its declared policy to encourage and assist low-income Bahamians to acquire their own homes and said that the recent action to dock public school teachers pay for taking part in sit-ins last year is unfair.

The Convention saw the election of a new chairman, Sen Chuck Virgil. Mr Virgil, who defeated Action Group chairman George Wilson, 241-48, has yet to show his political mettle on the national level. Mr Wilson is a former PLP chairman and as Action Group chairman has a reputation as a "doer."

Convention observers were disappointed with the FNM's selection of radio and TV commentators. It was generally felt that they did not give a crisp summary of the speeches and had a tendency to ramble. Observers felt that the party wastdd an opportunity to show off some of its intelligent "new blood."

The Tribune also took numerous complaints from people who were surprised, and in some cases amazed, that a number of the less significant speakers were afforded so much air time.

For instance Mrs Bostwick, the keynote speaker Thursday night, did not finish her address because a number of less important speakers would not heed a call to cut off early. One of the speakers rambled over points that had already been presented forcefully by Montagu MP and Shadow Attorney General Orville Turnquest.

Observers felt that some of the speakers should have been pulled altogether if necessary so that people with policy statements could give their full addresses.

In response to a question on the election of officers, Mr Isaacs said today he does not think that the Action Group is more liberal than he.

"Perhaps a little more aggressive, but no more liberal. I feel that if we are going to divide into ideology groups of that type, I'm very much of a liberal. Look at the speech I gave," he said.

PLP Chairman's Comment

Nassau THE TRIBUNE in English 21 Jan 86 p 1

[Text]

PLP CHAIRMAN Sean McWeeney said today the election of officers at last week's FNM Convention demonstrates that Opposition leader Kendal Isaacs is "very much in control of the party."

He said the elections represented a set-back for the "Whitfield group." He felt that Action Group members George Wilson, who ran for chairman, and Oswald Marshall, a candidate for secretary general, were part of the "Whitfield group."

Mr Whitfield told hundreds of cheering delegates last week that there was no crack or split in the FNM.

Mr Wilson was beaten soundly by Sen Chuck Virgil and Garth Wright was re-elected as secretary-general by an overwhelming majority. Mr McWeeney said that the winners are "Isaacs' men."

From watching the Convention over TV on all but opening night, Mr McWeeney said that - except for Friday - crowd enthusiasm seemed low. He did not think that the FNM was able to show much in the form of "new blood," as reported by The Tribune last night.

Mr McWeeney conceded that Yamacraw MP Janet Bostiwck's presentation on substandard housing was "interesting." He said that Mrs Bostwick "mimicked" the Prime Minister who, he said, "pioneered" the use of graphics to illustrate his address.

Mr McWeeney said he has not had time to study Mr Isaacs' 10-point programme which the FNM will use to turn the economy around, should it win power.

He said that Thursday night in particular seemed disorganized in that there were too many speakers. He said that persons who were selected to introduce speakers spent too long speaking themselves. He thought that Torchbearer Carl Bethel was "good."

Mr McWeeney said that Dr David Allen was the best speaker. He noted Dr Allen said that Government agencies had responded positively to the war against drugs. (This was just one of a list of organizations that Dr Allen praised).

Mr McWeeney also said that the FNM "mimicked" the PLP by having co-chairmen at the Convention.

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BAHAMAS

GOVERNMENT, TEACHERS LOCKED IN WAGES DISPUTE

Minister's Position

Nassau THE TRIBUNE in English 20 Jan 86 pp 1, 16

[Article by Juliette Storr]

[Excerpt]

"AS far as I'm concerned it's resolved!" Education Minister Paul Adderley told members of the press this afternoon at the Ministry of Education offices. He said he was not about to change his recommendations that deductions should be made in the salaries of teachers who withdrew their services from classrooms last year.

In a prepared statement Mr Adderley said that unfortunately a badly advised minority of teachers had allowed themselves to be used. "They are all adults and ought to fully understand the consequences of their actions which I regret."

The consequence, he said, of their withdrawing their teaching services from the classrooms "is that they thereby cease to perform the primary duty for which they were employed and I do not propose to change the recommendation that those teachers who teach be paid for the days which they teach and those who refused to teach be not paid for the days when they refused to teach."

The Minister said all Trade Unionists understand this very simple principle and provide compensation to their members who engage in industrial action for which the employer is not obliged to pay.

"It had long since become apparent to me that the motivations of some teachers were not entirely or even for the most part educational but school children and the Ministry were being used by some Union officials and a small minority of teachers as pawn in a political exercise toward the goal of political power sought by some," said the Minister. "Everybody is free to seek political power but I do not accept the proposition that teachers are to be used and students penalized in the process. Neither is it very helpful to good industrial or human relations when the Union persistently make statements which are so inaccurate."

Inviting all teachers in schools who were impelled to withdraw their teaching services to allow their school to return to normal, he warned them to "cause no further unnecessary disruption in the process of educating Bahamian children. After all, teachers have already had their educational opportunity."

When asked if the ministry was prepared for further industrial action by the union, Mr Adderley replied that "it's resolved as far as I'm concerned."

"Even though the union threatens further industrial action?" the reporter pressed.

"You've heard what I said," replied the Minister.

He said the union's claim that he refused to meet with them is "half-truths."

"The union invited me to meet with them on January 8th, the day I received the letter from them requesting a meeting... I could not meet with them then due to previous engagements. They told me exactly what they wanted and I have done so. They have not otherwise advised me that they want to meet with me except through the newspaper. I never refused to meet, I only refuse to meet their demands."

He said that if Mr Donald Symonette (BUT president) wanted to see him he knows where to find him. The first time, he said, that Mr Symonette came to see him he told him he had an open-door policy, "but before he came to see me for the very first time he has attacked me in the media... It is very difficult to deal in good faith when union officials refuse to deal in good faith."

Union Response

Nassau THE TRIBUNE in English 21 Jan 86 p 1

[Article by Juliette Storr]

[Excerpts]

"THE matter is not resolved and it will not be resolved until the aggrieved teachers are assured that their salaries will not be cut," Bahamas Union of Teachers told Education Minister Paul Adderley this afternoon.

Taking strong exception to Mr Adderley's statement at a press conference at the Minister's office late yesterday, BUT leaders released a press statement late this afternoon. In it they called Mr Adderley's attitude toward them "arrogant, condescending, disrespectful, and intolerable."

They confirmed their position that they would not tolerate deductions in the salaries of teachers who withdrew their services from the classroom last year to protest sub-standard conditions in some Government schools.

Said the BUT: "There has been no compromise: Minister Adderley merely attempted to clean-up some of the mess caused by glaring inefficiencies in the Education system which he is responsible for."

The union said that as far as they are concerned "the matter is not resolved and it will not be resolved until the aggrieved teachers are assured that their salaries will not be cut. We maintain, and the facts show that teachers were at work and did work during the periods for which their salaries are being cut.

"Planning, marking students work and preparing visual aids are inextricably part of a teacher's primary duty. Consequently, it is naive to even suggest that these activities are not work and not included in a teacher's primary duty which is to instruct students."

The BUT said that Mr Adderley's statement (published in yesterday's The Tribune) "that the matter of salary deductions is resolved as far as he is concern is symptomatic of his inability to deal with the BUT in a mature and effective manner."

The union said that the Minister has done nothing to date on the matter except to correct two errors which resulted from his ill advised decision to cut teachers salaries.

"Minister Adderley's attitude in this matter and generally towards the BUT has been arrogant, condescending, disrespectful and intolerable. He continues to demonstrate his anti-labour tendencies by refusing to meet or consult or negotiate with the BUT at all."

The union said it has no proof of Mr Adderley's claim that he maintains "an open door policy" for the BUT. "Since November 1984, the Executive Committee has requested six meetings with him - only two have materialised.

"In his response to our January 7 request for a meeting, he never indicated that he would meet with us. Mr Adderley knows that these are no half truths and we challenge him to tell the public which statements we have made which are 'so inaccurate.'"

The union challenged Mr Adderley to a television debate on the current issue and other issues which are impeding progress in the education system.

Annoyed with the Minister's insistence that the union's motives are political, the BUT said that the question of politics must be dealt with once and for all.

"Almost every time Mr Adderley comments on the BUT activities, he labels them as being politically motivated. He continues to attempt to mislead the public into believing that we are involved in party politics. If the Honourable Minister is suffering from political paranoia, our advice to him is please go to Parliament where you can debate politics with the right people. We want the public to know that the BUT's primary function is to influence the choices that government - a political organization - makes with regards to education so that the interest of the 2,100 members of the BUT is served."

The BUT said that the question of politics arises for the simple reason that the government and the Minister of Education attempt to satisfy their own partisan political interests while carrying out their national responsibilities.

"We want to make it absolutely clear that whether the Minister of Education is PLP or FNM or whatever, that the primary function of the union remains constant - to protect the interest of the teacher. So, for Mr Adderley to continue to call everything we do political is nonsense, hypocritical. Mr Adderley knows that he is the only party politician with known political interests in this matter, therefore, it is sheer cowardice to tell the public that the union is political."

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BAHAMAS

INGRAHAM DISPUTES ROSY PICTURE OF ECONOMY, TOURISM

Nassau THE TRIBUNE in English 23 Jan 86 pp 1, 4

[Article by Athena Damianos]

[Text]

WHILE there are more visitors to the Bahamas than ever before, tourism is having less of an impact on the economy today than in 1979, Cooper's Town MP Hubert Ingraham told the Rotary Club in Freeport today.

Challenging chartered accountant Franklyn Wilson over his recent "economic excellence of 1985" boast and a claim that there was $30 million in legitimate new capital last year, Mr Ingraham said that:

- Visitors are staying for shorter periods and spending less;
- Fewer jobs were created from tourism expenditure in 1985 over 1979, and:
- Of the 307,000 increase in total visitors, only 51,000 were stop-over tourists while 242,000 (almost 80 per cent) were cruise visitors whose average expenditure in 1985 was estimated at $60 per visitor. The average expenditure for stop-overs (who use hotels etc) was pegged at $590 per visitor.

Mr Ingraham found it regrettable that the Ministry of Tourism is permitted to analyse and produce figures on tourism expenditure.

He said that proven statistical data will determine the arrival of the billion dollar tourist expenditure mark - not unduly optimistic and distorted pronouncements.

Using the Prime Minister's examples to support his remarks, Mr Ingraham said that while expenditure from stop-over visitors in 1979 led to the creation and maintenance of about 37,648 jobs, this figure was reduced to 36,528 in 1985 - approximately 1,120 fewer jobs than six years before.

"Certainly, this cannot be Mr Wilson's definition of 'economic excellence of 1985,'" Mr Ingraham said.

Mr Wilson, managing partner of Deloitte, Haskins and Sells, said in an address to the Abaco Chamber of Commerce Saturday that, speaking of macro economic considerations, 1985 was the best year in recent Bahamian history.

Mr Wilson said that tourism registered an excellent performance during the year with total visitor arrivals increasing from 2.3 million in 1984 to a little over 2.6 million last year. He said that total tourism expenditures went from $800,000 to "almost" $900,000.

Mr Ingraham did not accept Mr Wilson's statistics on tourist expenditure for 1985. He said that based on past experience and trends, experts estimate expenditure in 1985 to be around $865 million.

This "is certainly not almost $900 million; $35 million short, as a matter of fact," Mr Ingraham said.

"What Mr Wilson failed to point out in his address was that tourism has less impact on the economy now than it used to. Average expenditure by tourists is in fact less," he said.

"Even if we used Mr Wilson's statistics, the average expenditure per tourist shows a decline. In addition, the average stay of stop-over visitors which was 6.12 days in 1980 was in 1984 5.18 days. Also, the figure for 1985 dropped even further to about 5.09 days."

Mr Ingraham reminded Mr Wilson that it was "none other" than the Prime Minister in his last Budget Communication who said that "tourist expenditure per visitor has also fallen steadily in real terms since 1980. Visitors are staying for shorter periods of time and spending less while they are here."

Mr Ingraham chastised Mr Wilson for implying that there was an increase of $30 million in legitimate capital in 1985 over the previous year.

He said that the figure "is simply not evident anywhere in the Bahamas.

"Mr Wilson most certainly could not have been speaking about the Bahamas Capital Account for the Central Bank is not yet able to give a figure for investment for 1985," he said.

"Further, Mr Wilson may have been attempting to equate approvals for investment with actual investment but he, of all persons, would know better. Approvals are not investments...

"Certainly, there has been no public announcement of projects in 1985 anywhere resembling the figures Mr Wilson quoted. You can be assured that if there were such projects, the Government would have grasped every opportunity to let us know about it.

"We must all in our public pronouncements be careful not to mistake dreams for reality and facts for fiction!"

Mr Ingraham found it regrettable that the Ministry of Tourism is permitted to analyze and produce figures on tourism expenditure. He thought that other Government agencies, like the Department of Statistics, should be given this responsibility.

"It is difficult to inspire confidence in numbers prepared by those with primary responsibility for production. For the same reasons a student ought not be allowed to mark his own examination papers, the Ministry of Tourism should be relieved of the responsibility to produce tourism expenditure numbers," he said.

"I know we are all anxious to reach the one billion dollar tourist expenditure mark. We can't get there, however, by declaring it. Proven statistical data will determine our arrival at this milestone, not unduly optimistic and distorted pronouncements.

"In the absence of increased stop-over visitors over and above the 1985 levels, we ought to arrive at the billion dollar mark in 1987 - not 1986 as some seem 'hell bent' on saying, irrespective of numbers, statistical facts and reality," Mr Ingraham said.

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BRAZIL

ENGESA DEVELOPS TWO OF MOST SOPHISTICATED ANTITANK MISSILES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Dec 85 p 7

[Article by Roberto Godoy]

[Text] The two most advanced antitank missiles in the West are being developed in Brazil by the Specialized Engineers Corporation (ENGESA) group and will be officially unveiled within 10 months. A preliminary presentation of the project was held in London a few weeks ago, attracting representatives of customer-states and marking "the entry of that corporation into a new sector of the defense industry," according to a high-level company source. The specifications of the two new weapons are still being kept secret. One of them will be guided by a laser-ray beam with a range in the area of 3,500 to 5,000 m. The other will operate within a radius of 8 km and will be of the "Fire-and-Forget" type, guiding itself to the target by means of television signals conducted through an optic-fiber. According to the same source, both concepts are "essentially national."

That is not ENGESA's only new project. Coming off its drawing boards also in 1986 is its new caterpillar-tread tank, still unnamed but described as an ultra-light (3.5-ton) tank, extremely agile, capable of going 90 km/h and equipped, for example, with missiles, rapid-fire cannons, mortars, or any attack accessory of that type. With a crew of only two men, it will be able to operate in very unfavorable terrain--a swamp--in which the super-heavy "Osorio" and even the "Cascavel" wheeled-armored vehicle cannot operate easily.

As a matter of fact, the new items also involve the "Osorio" EE-T1, which was subjected to a number of tests and trials in the desert in the Middle East, obtained the best test scores and should become a commercial success, with sales practically settled in at least two countries in the region, in the configuration with the 120-mm heavy cannon. Unit cost: $1.4 million.

The Missiles

In the words of an engineer, ENGESA's new antitank missiles are "a natural consequence of building tanks: for reasons of technical coincidence, whoever makes tanks also knows how to make antitank weapons." The version that will use the laser will be guided by the artilleryman through the use of an optic system coupled to a helmet or to a sight. The combination itself is normally the control instrument sending a signal to the excited light beam which, as in a sort of videogame, will make the course changes until reaching the point of impact, with the advantage of being virtually undetectable by conventional methods.

The second model is even more sophisticated. Utilizing a micro-TV transmitter mounted on the warhead and connected to the control by an optic-fiber, the missile will have an onboard logic-analytic processor. Once fired, it will then seek out the parameters of the programmed target, which must be compared with the information already put into its computer. At that moment, the missile will be flying under the guidance of two different sources: the control from the launch point and the internal artificial intelligence. Once the target is framed, the optic-fiber will be broken and the weapon will continue its course naturally.

The two missiles will follow the universal pattern of leading technology antitank vectors. Thus, they will have the general appearance of a cylinder with a blunt, rounded or, for special applications, elongated warhead. They will probably measure a little over 1 m, weighing close to 20 to 25 kg at the time of firing. The explosive warhead (HE--hollow charge) will be 4 kg; speed, upper-subsonic, 1,000 km/h; and it will be capable of penetrating 800 mm armor. At the moment, there are only three projects of the same type and at the same stage of development in the whole world: two in the United States, by the Martin-Marietta Industries and Raytheon) and one in Israel, by the IMI.

In Brazil approximately 5 years ago, Avibras Aeroespacial carried forward a project of the Army Technological Center (CETEX) which sought to equip the ground forces with a version of the Gemman "Mamba," a missile guided by wire. At the present time and with its own resources, Avibras is working on an antitank missile to be operated by a single man and without possibility of detection.

Coming of Age

The entry of ENGESA into the specific segment of "intelligent" weapons marks the coming of age of the group, which today includes 13 organizations. The new administration headquarters installed in the Tambore Business Center in Barueri controls 10,000 employees, among them 44 specialists with PhD degrees and 400 engineers.

Closing the year with exports valued at $300 million, the corporation believes it will reach $600 million in 1986 and will surpass the $1 billion mark in 2 years, when it also plans to reach a balance point that its president, Jose Luis Whitaker Ribeiro, believes to be fundamental: 50 percent of its activity in the military sector and 50 percent in the civilian. The newest "offspring" of the group is the Aerobrasil aviation company (made operational by Transbrasil), which transports the weapons and muntions exported by ENGESA. In addition to linking the 35 company bases operating abroad, it has a fleet comprised of nine Boeing 707's and will receive its first Jumbo 747/Cargo by July 1986.

MILITARY CONDUCT AGRARIAN REFORM FOR ALCANTARA SPACE BASE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Dec 85 p 5

[Text] Rio--The Armed Forces General Staff (EMFA) and the Ministry of Aeronautics are conducting a mini-agrarian reform in the Maranhao municipality of Alcantara in order to facilitate the construction of the new Brazilian space base in 1986.

In revealing the reform to O ESTADO, the minister-chief of the EMFA, Admiral Jose Maria do Amaral Oliveira, admitted that if appropriate social measures were not taken, the objective of the installation of a new space base would be accomplished, but at the cost of generating a serious land problem.

For that reason, he took the initiative to seek the support of the minister of agrarian reform, Nelson Ribeiro, in carrying out the expropriation of property but also insuring suitable living conditions for the thousands of residents in the area where the space base is going to be installed.

"We decided to take those measures to take care of the social aspect because that is a basic factor so that there may be a balance in Brazilian society. For that reason, while there may have been a greater expenditure from the military budget for the construction of agro-towns, that was compensated for by the social benefits. We assumed a commitment to the population of Alcantara to install the space base with the guarantee of bringing social benefits to the population of the municipality," said the minister-chief of the EMFA.

Admiral Amaral said that the "improvement of living conditions was basic to the population of Alcantara because we are going to need specialized manpower, electronic technicians, technicians from the informatics sector, and that is another reason why recognizing the value of man could not be relegated to a secondary plane."

By March, the EMFA and Aeronautics plan to open the first of the six agro-towns that will be inhabited by residents of the area where the space base will be installed. Other areas, outside of the one where the new space base will be created, will also be expropriated, this time as part of the agrarian reform of the Northeast Region and with specific financial support assured by the government.

Early in 1986, the EMFA will forward to the president of the republic a memorandum of justification pertaining to the areas that will have to be expropriated, so that the installation of the space base will not result in serious social problems.

The minister-chief of the EMFA explained that "the construction of six agro-towns and the expropriation of other areas outside of that on which will rise the most important space base in Latin America became essential," according to him, not only to make possible the execution of the project but also so that the farmers who live there will have their means of livelihood assured.

The admiral stressed that a space base could not be installed while ignoring the social aspects. He declared that it would be very easy to build the base and disregard the social problem, or purely and simply indemnifying the former occupants of the area in question. But, he argued, that way the government would not have fulfilled its pledge. It was necessary to insure all necessary conditions for the transfer of part of the inhabitants to the agro-towns and the other to areas that are still to be expropriated.

The problem of the delay of the new space base project was also not exaggerated by the admiral, who emphasized "the fact that the inhabitants cannot be moved to the area where they are going to settle until the means for their livelihood are assured.

"I believe that in March we will already begin to move the first families, in keeping with the work on the space base. But the transfer of the families is, and must be, progressive because it depends not only on the timetable of the project but also on the social issue. Keep in mind that at the moment that a house and plot of land is turned over, there is nothing planted yet, but where the man is living today he has his cultivated area that has to be utilized as much as possible so that he will not lose his means of livelihood," said the minister-chief of the EMFA.

Jose Maria do Amaral Oliveira said that the new Brazilian space base will be one of the most important because of its "favored location, close to the line of the equator, which facilitates the thrust of the satellites launched under the Brazilian space program."

The main project of the space program is the complete mission which envisions the launching of a Brazilian satellite in 1989. Four launches are scheduled in the initial stage of the program: the first two will be to collect data about the earth: the third, for remote or meteorological sensing; and the fourth, for remote sensing.

The EMFA minister stressed the participation of the Aerospace Technical Center (CTA), responsible for the development of the technology of the Sonda-IV rocket and the satellite-launching vehicle, and of the Institute of Space Research (INPE) for the full feasibility of the Brazilian space program. He confirmed the outlook of the director of the CTA, Brigadier

Hugo de Oliveira Piva, that "technologically, the program has already become feasible, thanks to the pioneer effort of Marshal Casemiro Montenegro (creator of the CTA) and of Piva himself, because the technology obtained from the Sonda rockets was fundamental."

The Ministry of Aeronautics stated that "through the research and surveys to be conducted with the Brazilian satellites beginning in 1989, Brazil will have assured the conditions to make more long-range weather forecasts."

Thus, adverse weather phenomena such as the drought that hit the southern part of the country, with serious economic and social repercussions, may be foreseen with enough time for the federal government, the state and municipal authorities and the farmers to be able to minimize the negative consequences. The CTA stated that the space research that will be conducted in terms of the Brazilian interest will make it more difficult for the country to be taken by surprise by phenomena that may affect and compromise its economy.

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BRAZIL

BRIEFS

NO SAUDI ARMS SALE--Campinas--The Brazilian arms industry has not yet signed any contract for the sale of arms or military equipment to the armed forces of Saudi Arabia. The negotiations between the two countries began in October 1984 with the visit of Defense Minister Sultan Abdulaziz and are continuing now "with excellent prospects for 1986," an executive director of the Specialized Engineers Corporation (ENGESA), a manufacturer of tanks and armored vehicles, revealed yesterday. The official termed unfounded the report appearing in the Arabic-language newspaper AD-DSTOR [as published] published in London and reprinted yesterday in the FOLHA DE S. PAULO, to the effect that a commercial deal in the order of $3 billion had been concluded between the Saudis and Brazilians a little over a week ago. In Brasilia, an official of the Foreign Ministry's Trade Promotion Department, responsible for the activities of the national defense industry in the foreign market, regarded the report as "absure," pointing out that the Riyadh government is investing a total of $4 billion in its whole ground force reequipment program and "has already closed big deals in the United States, France and Britain, making it obvious that it is not likely that Brazilian suppliers would get 71 percent of the pie." [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Dec 85 p 5] 8711/9190

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CHILE

GEN RODOLFO STANGE DESCRIBES ROLE OF CARABINEROS

Santiago COSAS in Spanish 17 Oct 85 pp 8-10

[Interview with the commander of the Carabineros, Gen Rodolfo Stange Oelckers, with Zayda Cataldo; date and place not given]

[Text] His statements reflect his profound love of the Institution of the Carabineros. However, at the same time, he frankly answers questions about the responsibility of some of his men in cases which have caused a public uproar. With respect to the political situation, his opinions are brief and categorical.

He is so relaxed and optimistic that if one did not know him one could not imagine the difficult times experienced by the institution which is headed by the commander of the Carabineros, Gen Rodolfo Stange Celckers. He accepted the post when no one wanted to confront that challenge; and thus, in less than 48 hours, he moved up from a resigned deputy director to General Director of the Carabineros and a member of the government military junta.

We had been requesting this interview beginning with the very night of 2 August, the date he assumed his current position. But we had to wait almost 3 months before we were received. A very tall man with a big smile, he invited us to enter his office. "I have here the answers to the questionnaire which you sent me," he told us amiably. I explained to him that it was nothing more than an agenda and that I had expected our interview to touch upon those points, in response to which he agreed to answer our questions directly.

He likes to talk about his native Puerto Montt and of his German ancestors who he says were brought up on study, effort, dedication and tradition. He also says that there were two other Carabineros in his family: his uncle Emilio Oelckers and his brother Osvaldo, both of whom tragically were killed in 1969 in an air accident.

Confronted by a Historical Challenge

[Question] General, why did you resign from your Institution after learning from Minister Canovas' report that Carabineros appeared to be involved in the kidnaping and assassination cases of three professionals?

[Answer] Those were moments of great psychological pressure. Because we were enormously affected by the fact that a confinement to quarters orders of such great magnitude had been issued in circumstances about which we had insufficient background information. Now then, that confinement to quarters order alone created a situation of tension for us; but, in addition, those confined to quarters were also called upon to retire; therefore, I felt it my duty to submit my request for retirement. Above all because a deliberate slant was given to the incident by the media which had received information from interested parties.

[Question] To whom are you referring specifically, General?

[Answer] Well, there is a group of complainers. Logically, these are the ones who make statements; and I felt it was proper to turn in my retirement request.

[Question] Afterward, why did you agree to go back as the Director General of Carabineros and thereby become a member of the Government Military Junta?

[Answer] Well, because when I presented my resignation to General Mendoza the President called me to tell me he was offering me the position; and in consideration of the fact that the command was going to be without leadership because of two retirements, I felt it was to the best interests of the Institution to accept the post.

[Question] But was it not too big a challenge to accept a position at a time when your Institution was having such serious crimes imputed to it?

[Answer] I accepted the "challenge," as you put it, because I felt I could take charge of the Institution and because I am not convinced that the blame attributed to such and such officers is right. Proof of this is the fact that several of them have already returned to duty because they were not responsible for the incidents. But remember that in a flash the situation took on spectacular proportions because it was played up extraordinarily, exploited and used against the Carabineros. For that reason, at the time, I considered it my duty to submit my resignation from my position, as I could not accept that because of isolated incidents, still not proven, an effort was being made to besmirch the Carabineros of Chile with slander.

[Question] What impact has your appointment had upon your family life?

[Answer] Obviously these two positions have placed a great responsibility upon me and have in fact completely changed my family life...My wife, Liliana, and I left behind a relatively tranquil life, because the life of a Carabinero is never as tranquil, to move on to another life filled with commitments and activities which involve both of us. I have already forgotten what it is like to go to a movie; or to go to the theater to see a good play, or to go to a concert, or simply to have a bit of relaxation just like any other citizen...At times I would like for the day to have 48 hours!

[Question] General, from the moment you accepted General Pinochet's offer, you became one more legislator. Did you feel qualified to perform this new role?

[Answer] I am a police official with 38 years of service. And the training of all officials of the Carabineros is basically legalistic and humanistic; that is, I am no stranger to Criminal Law. The Law in general is not a foreign field to me. Since I was a student at the Carabineros School I have had to study legal matters; therefore, for me it is no novelty to have to switch back and forth between legal documents and codes. I feel that the Institution prepares Carabinero commanders efficiently enough to enable them to participate actively in a discussion of the law or trial materials.

[Question] At this stage in the political process, do you think that the current method of legislating is adequate? Would it not be more positive if the debates were conducted publicly instead of holding them behind closed doors and if we taxpayers knew where our money is going, when economic laws are debated, for example?

[Answer] Of course everyone has the right to know. But in this regard I should like to offer a clarification. There is much talk about the lack of legislative openness and about the fact that laws are handled "behind closed doors." Such is not the case, and I can tell you that there is a law which provides that the working organizations of the Government Junta can call for the advice and background information deemed necessary from any entity or person interested in the law, so that the law will be prepared with the participation of representatives of the interested parties. I grant audiences on a continuing basis to this end.

[Question] But we journalists cannot attend and listen to the debates as was done in the old National Congress.

[Answer] But the old Congress was more political while we are more technical. Here we listen to the interested parties; and, what is more, there is a press office which hands out all kinds of information.

Repressive Escalation Increasing

[Question] When the recent change in the leadership of the Carabineros took place, we were able to sense a very different attitude than the one to which we had been accustomed by the forces of order; however, with the passing of time, once again we have seen ourselves confronted by a repressive escalation which is increasingly greater. Do you now think that with the uproar caused when the people are repressed you are contributing to the creation of a real time bomb?

[Answer] Because of our Political Constitution we are a Public Force. We fall within the framework of an organizational plan which was given to the nation; and, therefore, the public force has to be in a specific place to prevent some individuals from trampling on the rights and privileges of others. That is our fundamental role. To stand between two conflicting groups: on the one hand, the people and on the other hand a group that wishes to trample them. Logically it is we who have to be in the middle, and some are going to label our attitude repressive. But tell me, what is repression? An attempt to normalize a situation which has been created by a group of hotheads who are trying to impose their will upon another group which has not defended itself, because that is why we have the public force.

[Question] General, do you feel that the rights of others were being trampled when at the funeral service for construction leader Hector Cuevas the people shouted various slogans?

[Answer] Trampled, perhaps not.

[Question] What would have happened if instead of intervening the Carabineros had permitted the people to shout and sing?

[Answer] They would have become increasingly emboldened, and the first to say something or to criticize would have been the selfsame media.

[Question] But that would not have done harm to anyone. On the other hand, we all saw on television officers of order, Carabineros, throwing tear gas bombs among the niches and mausoleums in the cemetery.

[Answer] You and I would have had to have been there to be able to analyze in depth what happened and why. On the other hand, people are not obedient and do not pay attention to what the public force tells them. A cemetery is a place where people go to be tranquil remembering their relatives, and we do not have to accept those groups of persons coming there to shout political slogans. There they are invading the rights of those who want tranquility in the cemetery. That is where the public force has a mission to carry out.

[Question] General, is there any superior echelon which gives the order to repress or to act in an almost mechanical manner?

[Answer] They always analyze and act calmly. They proceed with a great deal of caution before giving the order, which is not something that comes about as a spontaneous reaction as some would have us believe. These are measures which have to be stepped up in accordance with the intensity of the incident taking place with a view to being able to calm things down. That is why I say to you that the Carabineros is not a force or organization of repression; they constitute the "Public Force" which is for the purpose of enforcing the law and guaranteeing public order and domestic public security. We are a monolithic and professional organization with a great mystique, prepared to do our best for our fellow countrymen. In this regard, we are always going to keep a few individuals from violating the rights of the other citizens who want to live in peace and harmony.

Escape of Former Colonel Fontaine

[Question] With respect to the charges made against a few Carabinero officers, how does the Director General confront this situation?

[Answer] I am grateful for reports of possible excesses to which a member of the Institution may resort, as this gives me the opportunity to clarify what happened or to adopt corrective measures if necessary. However, I have to say that many times excessive reactions are the direct result of human factors in the face of an offensive and provocative action to which service personnel are subjected; and I am the first to deplore this.

[Question] What effect are the current trails having inside the Institution?

[Answer] There is no doubt that these incidents are having an effect on the Institution, and that concerns us. However, we are looking at the situation calmly and confidently. We are assured that specific incidents are being handled, the trials for which are taking place at the same time. By training, we are respectful of the judicial system; and, therefore, we are awaiting the courts' decisions. It is not the Carabineros of Chile who are on trial; specific cases are being investigated in which some personnel of the Institution have had to provide statements; however, their participation in crimes has not been proved, crimes which I am the first to repudiate. However, if the guilt of any member of the Carabineros is established, I hope the court will apply rigorous and exemplary punishment appropriate for anyone who has betrayed the mission he has sworn to defend.

[Question] What would your attitude be if the charges made were proved to be true?

[Answer] I am a person who am so respectful of the courts that, as I said at the beginning, if there is a proven responsibility, with a sentence, with a decision which has a sufficient basis, logically that person will cease being a member of the Carabineros. Therefore, my attitude is going to be one of regret at seeing a former Carabinero officer involved in this situation. What other attitude could I adopt?

[Question] Well, you could once again place your position at the President's disposition...

[Answer] Well, we are talking about a specific incident. Can you imagine that confronted by every specific incident I will present my resignation, when there are so many incidents occurring here and police life is so intense...

[Question] General, what is your opinion of the conduct of former Colonel Fontaine?

[Answer] I have no comment, because he is a person who is legitimately exercising his rights; and I suppose he knows what he is doing.

[Question] But criminal charges have been filed against him. Then, how is it possible for a person who has criminal charges filed against him and who is confined to a Carabineros unit to leave it so freely and then to return by his own means, making a mockery of the guard and of all persons in uniform?

[Answer] Well, that is why a letter was sent to the appropriate court reporting the violation.

[Question] And what is going to happen to all the Carabineros School personnel implicated in the escape of this criminal?

[Answer] Well, there is a proceeding to determine responsibilities, because it it not logical that he is able to leave like that. The personnel on guard there were surprised; and therefore, it is proper from the legal standpoint to determine the responsibility of each person. The appropriate investigation is being conducted.

[Question] General, what would it mean to the Institution if former Colonel Fontaine were to be declared interdicted, considering that he was the head of an organization as important as the former DICOMCAR?

[Answer] I cannot offer an opinion, because I would have to await the outcome. But in any case, I think that 3 months have gone by and 3 months of confinement can affect anyone.

[Question] Are you suggesting he went mad after...

[Answer] No, no, no...Please! I said nothing about that; I have not even mentioned that he went mad. I can offer no opinion on that matter, because all those things take time and we cannot speak of such recent things that happened in such a short time.

[Question] One of the "key" men in the clarification of the cases under investigation is Miguel Estay Reyno, better known as "El Fanta." What was the work relationship between "El Fanta" and the former DICOMCAR?

[Answer] I do not know. Here in this organization we have specific responsibilities. Each of us is busy with his own duties; therefore, it is very difficult to keep all that in one's mind. Sincerely, believe me, I do not know; therefore, I can offer no opinion.

[Question] At the time you assumed your position, the second kidnaping of Carmen Andrea Hales took place. What is your understanding of and how would you describe this incident?

[Answer] In fact, this kidnaping took place in the circumstances you described. It was Sunday, 4 August, when Alejandro Hales came to my office at about 1130 hours and, as I told him at the time, I understood this to be a challenge being made to me as a person who had recently taken up his duties. Fortunately, the situation was cleared up; the woman showed up and now it is the courts that have to continue investigating.

[Question] Why do you think Judge Carlos Bottacci has ordered Carabinero personnel to make statements about this incident?

[Answer] Surely because those personnel had been mentioned by someone. Judge Carlos Bottacci is conducting an investigation which I suppose is magnificent, as he is taking all the steps to clarify whatever obscure points there may be so that no one can say he failed to do this or did not do that. What is more, there is a complainant who insists on the judge's carrying out the entire process exhaustively, thus it is logical for a person mentioned at some point to be called in to clarify.

[Question] And what has happened to Carabinero Lt Francisco Quintana Canivillo? Where was he serving before being transferred to the south? And why did he reportedly refuse to appear before Judge Bottacci?

[Answer] You have got me there, because I have no idea who Lt Quintana Canivillo is. When was he transferred to the south?

[Question] You should know that because he is an officer in your Institution.

[Answer] We have 30,000 officers. Can you imagine! If I were to personally take charge of the hundreds of transfers which take place in the Carabineros, I think I would not have time to talk to you today.

Climate of Tension Which Prevails in the Country

[Question] General, recently a climate of tension has been seen to prevail throughout the country. How do you evaluate the demonstrations of the opposition?

[Answer] In what sense are you speaking of demonstrations?

[Question] I am referring to the protests which we see daily on the university campus; to those selfsame incidents which occurred at the cemetry on the occasion of the funeral services of Hector Cuevas; to the attitude of rebellion of the students; to worker-student solidarity which was translated among other things, into a march in the north, etc.

[Answer] That is to say there are too many demonstrations. It must be a democracy, then?

[Question] Not necessarily because also daily we see demonstrators who are repressed and imprisoned.

[Answer] Are you sure?

[Question] That is what is happening to students and student leaders; the same is true of trade union leaders...

[Answer] Ah! That is another matter. When there is a call for violence, knowing that there is going to be violence, however much they wish to disguise it as symbolic acts, it is known that there is going to be violence. The same thing happens when one is invited to a dance...it is known from the very beginning that you are going to dance. Therefore, let us face the consequences. Regrettably, this climate of tension has been produced by various causes but principally by persons interested in creating an abnormal situation. That affects the Carabineros because they are between two fires which take different ideological positions, some of which lead to acts of violence. You tell me that the people are doing nothing; however, there has been looting and thousands, millions of pesos in damage.

[Question] It would be interesting to know what investigations the Carabineros have conducted to establish the identity of those who devote themselves to these acts of vandalism, along with terrifying the townspeople.

[Answer] There is a system which is the responsibility of the courts. That is why those requirements were established so that the courts, which are an independent branch, can investigate incidents. And we cooperate to the maximum to clarify all of this. We are the first to wish for the clearing up of this situation.

National Accord: Good Intentions

[Question] General, 12 years after the military coup could you say that the government has achieved its objective of "eradicating the cancer of Marxism" and depoliticizing the youth sector"?

[Answer] Recently, we have seen that the youth sector is joining ranks. A situation which, given the vehemence characteristic of youths, induces them to value points of view they consider just. Now, it seems to me that the means they use are not the most appropriate, because the "seizures" of high schools and violence leads them to nothing healthy. I respect young people a great deal for the way they are. I am happy that they are happy; I am happy that they are youths preparing for life. But I also think and regret this because it can mean they will not have enough time to consolidate their knowledge and subsequently to become competent professionals. On the other hand, they are wasting vast amounts of economic resources which the state, at the sacrifice of all Chileans, is earmarking for superior education. When we see students in the middle grades shouting political slogans in the streets, violating public order and adopting attiutdes unsuited to their incipient role in society, I am concerned that their parents are unable to exercise greater control over them.

[Question] Therefore, the Military Junta has not attained the objective it set for itself when it took over the country's leadership?

[Answer] Well, we have absolute calm in the country, as you can well appreciate at this time. What more can we ask for? Of course, I would not be able to deny that there are isolated cases. We have an idealistic youth sector which allows itself to be pulled along; however, on the other hand, it is operating within the framework of normalcy. If we take a look at and compare what is happening here with the news reports coming in from the outside we can say that Chile is a calm country. Of course, we cannot ignore the fact that there are incident-oriented situations in the news.

[Question] What is your position with respect to the National Accord?

[Answer] In a few words, I feel it has good intentions, provided it is really national in character.

[Question] General, what is your opinion of the statements made by Gen Fernando Matthei on that same subject?

[Answer] General Matthei at one point said he felt it was a good thing, and I respect his opinion. That is my answer.

[Question] In his last speech which he delivered at the Club de la Union, General Pinochet spoke of the "Dictatorship of Democracy." How do you interpret that term?

[Answer] Perhaps we should go back to what I said a short time ago when you spoke to me of demonstrations. Perhaps that means there is democracy.

[Question] Finally, General, what do you see as the way out of the current crisis?

[Answer] Why speak about a crisis? I do not see that a crisis exists. What is happening is that there are situations of tension; however, the same thing happens in the best of families. Now, if we respect the Constitution and if we respect each other more, naturally we are going to come out of this situation.

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CSO: 8148/0283

ARGENTINA, PERU BORDERS, ANTARCTICA 1986 FOREIGN PRIORITIES

Santiago EL MERCURIO in Spanish 31 Dec 85 pp A-1, A-8

[Text] The formulation of a definitive policy on the Antarctic and the Pacific, progress in defining borders with Argentina and Peru, reinforcing action in multilateral agencies to deal with the attacks on Chile by some nations with regard to human rights, and the conclusion of the projects provided for in the treaty of 1929 for service to Peru, are some of the main priorities the Foreign Ministry has established for 1986.

This was reported yesterday by Foreign Minister Jaime del Valle after speaking at the Cabinet Council chaired by President Augusto Pinochet.

Del Valle also added that special emphasis will be given to the work that will be carried out in conjunction with the private sector for integration with Argentina and Peru.

"The matter of Bolivia, of course, will be given due attention. For this purpose, before any contacts take place, the procedures to be followed in any talks will be laid down," he stated.

As for Antarctica, the secretary of state indicated that next April all the experts will be convened to adopt some decisions.

He acknowledged that one of the factors that led to the formulation of a policy in this regard is the proposal presented at the United Nations by Malaysia and other African nations to declare the frozen continent the common heritage of mankind.

In addition, he stated that it is important for Chile to take a clear stand on the minerals in Antarctica and their future development. "We must look at that issue in accordance with our position on Antarctica, because we claim sovereignty. It is a very important action, because we will have to determine how to confront this issue in international organizations," he said.

Foreign Minister Del Valle recalled that in the coming months all the projects called for under the Treaty of 1929 must be completed, primarily the railroad terminal and the monument to Chilean-Peruvian brotherhood. He indicated that this statue will most likely be erected in our country, and a meeting with some national sculptors will be held for that purpose.

Similarly, the minister stated that in the next few days approval must be given to the appointment of the new Chilean ambassador to Brazil, because Javier Illanes was named national representative to the Organization of American States (OAS).

Del Valle stated that work is being done on the various appointments in the Foreign Ministry offices, and that the president must decide whether to make the announcement in February or March.

Report on Mediation Denied

Regarding the wire service reports from Buenos Aires that indicated the Argentine Government's concern about the Chilean political situation in the face of possible intensification of the armed struggle, the foreign minister stated that "the events that are taking place here in Chile and the terrorist action should be of concern to us Chileans; they should worry about what is happening in their own country."

He also indicated that "the terrorist organizations that may exist in Argentina or any subversion that may exist is their problem, and it is up to them to deal with it. They have no reason to become involved in what is happening here in Chile. We know perfectly well how to assess our risks and how to confront them."

The wire service report also says that a few months ago President Raul Alfonsin and Foreign Minister Dante Caputo approached leaders of the opposition at the specific request of Minister Del Valle to try to ease the conflict.

To this, Foreign Minister Del Valle responded: "Chile has never asked for the mediation of any foreign government. It is not appropriate. That news report is wrong. Nor could we advocate or claim that the Argentine Government officially offered to play any mediatory role, because that is not its place."

He added that in the talks that have taken place with Caputo, the possibility of that country's mediating in the national situation has not even been mentioned.

Referring to terrorist movements, he contended that countries should concern themselves primarily with what is going on within their borders, and should take the appropriate actions to prevent that terrorism from spreading elsewhere.

Del Valle indicated that this situation has had no effect whatsoever on our good relations with our neighbor.

Concerning the allegation that the United States had asked Argentina to mediate in the Chilean case to bring about a dialogue between the government and the opposition, the minister stated that this is mere speculation, because these things are discussed directly between countries. He added that a very frank dialogue is taking place with the country to the north, and that there is no need to resort to third parties to exert influence in a given field.

"Any problems we may have with some countries are discussed bilaterally between foreign ministers. We have never asked any country to mediate in our internal affairs; on the contrary, they have called for complete self-determination of peoples. I can hardly believe that the United States would ask Argentina to intervene in a mediation, because it knows us too well," he said.

"It is not my job to approach the opposition. I am the minister of foreign relations. I may talk to other foreign ministers about our problems, just as they talk about theirs, but I will never talk about any approach through them," he asserted.

He explained that his relations with Caputo are very good, and that every time they have wanted to talk they have been able to do so frankly and directly.

The minister went on to say that these reports are biased, because "many people are very upset about the agreements we have reached with Peru, and also about the treaty with Argentina. We can never do anything in government that pleases everyone."

Del Valle also stated that he was unaware of any trip made by the United States ambassador to the United Nations, Vernon Walters, to Argentina to study the situation in Chile. He indicated that Ambassador Pedro Daza was with the U.S. representative in New York last week, and contended that these reports are also mere speculation.

Regarding a possible visit by Edward Kennedy to Chile next January, he said that no notice has been given of such a trip, nor has any formal request been submitted to come at a specific time.

8926
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ODEPLAN TO PROMOTE EXPORTS, LABOR-INTENSIVE INDUSTRY

Santiago EL MERCURIO in Spanish 31 Dec 85 pp A-1, A-8

[Text] The goals of the ministerial programs for 1986 are to promote exports, labor-intensive programs, and in general, everything that was begun this year to give the different sectors a greater share in the ownership of a number of enterprises.

This was stated by the assistant director of the National Planning Office (ODEPLAN), Luis Larrain, during a press conference. He listed the tasks that have been set forth for the ministries, enterprises and public institutions for next year. Also present were the regional assistant director, Rodrigo Moncada, and the chief of planning, Jorge Gonzalez.

In contrast to previous years, Larrain stated that this year an effort has been made to reduce the number of tasks so that the ministries will fulfill their assignments within the stipulated term.

Among the tasks for next year, he indicated, the provisions and administrative and legal procedures regarding foreign investment should bemodified to facilitate that activity.

This revision must be carried out by the Economy Ministry through the Executive secretariat of the Foreign Investment Committee in conjunction with the Finance and Foreign Ministries and ODEPLAN.

The Pacific Steel Company (CAP) must conduct a study on the medium- and long-term prospects of the company in terms of the projected changes in the world steel market and the emergence of new and more efficient steel mills.

Meanwhile, the Chilean Chemical and Mining Association (SOQUIMICH) should carry out a market study on its products to ensure optimum use of available resources, evaluate the feasibility of improving its technology, considering the possibility of partnerships with foreign investors, and improve its position on the world market.

In the social sector, the ministries and institutions of the state have been instructed to reinforce their actions with groups of the population that are living in conditions of extreme poverty. For this purpose, "spending must be pinpointed and rationalized to give preference to those groups in particular, through investment in human capital."

In this regard, Larrain observed that the coexistence of two systems has resulted in the duplication of some benefits, such as family allotments and family subsidies, for example. He explained that an effort will be made to prevent this kind of problem.

Preschool Education

The Education Ministry must implement alternative programs to provide preschool education for children 2 to 6 years of age, so that with the same resources the coverage of the system can be expanded.

The Economy and Public Works Ministries and ODEPLAN have been instructed to form a commission to study the current rate policy of the Potable Water and Sewage sector, and to propose a marginal-cost rate-setting system that would be feasible to implement, including subsidies for the extremely poor.

The Finance Ministry, through the Superintendency of Securities and Insurance, must develop a project that will make it possible to put a Chilean mutual stock fund on international markets and thus attract new capital to the country. This would inform institutional investors throughout the world of the real economic situation in Chile.

Among the tasks assigned to the Justice Ministry are modifications to rationalize notary activities and eliminate legal obstacles to the full utilization of data processing techniques in the legal field.

Other Tasks

The Undersecretariat of Transportation next year is supposed to propose the investment feasibility studies to conclude the master development plan for the ports of Valparaiso and San Antonio.

In addition, ODEPLAN will work with the Economy, Finance, Agriculture and Foreign Ministries, through the Institute for Export Promotion (PROCHILE) and the Production Development Corporation (CORFO), to study possible actions aimed at technological adaptation in sectors with export potential.

The Ministry of Labor and Social Welfare, through the National Training and Employment Service (SENCE), will work with PROCHILE to conduct a study to identify productive activities that would respond favorably to incentives through occupational training, and that would meet the dual requirement of generating exportable goods and making intensive use of manpower.

The Institute of Benefit Standardization is to combine efforts with the Budget Office and ODEPLAN to study the amount of benefit commitments that have been made for the 1986-1990 period. These statistics are of particular importance in drafting the nation's budget.

That same institute must adopt the necessary policies to issue "bonos de reconocimiento" [bonds?] to enable the Social Security Service to issue 90,000 documents on 31 December, and the Private Employees Fund to issue 70,000; and CANAEMPU, CAPREMER, Municipalities, Hipica and State Railroad Fund should proceed to issue all the bonds.

The Ministry of Housing and Urban Development should study and propose a system for bidding, assignment and sale of housing to solve the problem of substandard housing in rural areas.

The Interior Ministry, meanwhile, has been instructed to inform the public through the mayor's offices and city governments of the procedures that must be followed to qualify for the benefits or services it provides.

The Health Ministry must conduct a survey of medical equipment for the purpose of redistributing it and rationalizing its use, and must study and implement a method of charging for health care services that is compatible with the concept of family obligation.

Principal Achievements

Larrain explained that the ministerial programs are short-term planning instruments, through which the government schedules actions and policies that the public institutions must follow during a calendar year to achieve the objectives laid down for the purpose of improving the quality of life for Chileans.

ODEPLAN coordinates and drafts these documents, and has done so each year since 1975, based on the proposals sent by different institutions. The document is submitted to the president of the republic, who approves it by Supreme Decree instructing all the ministries, services, institutions and enterprises that are operated by or connected with the state to follow these directives in their actions and comply strictly with these tasks.

The official stated that the programs adhere to the declaration of principles by the government junta, the general lines of the economic development strategy, and the triennial programs. He also indicated that they orient the actions of economic agents and the nation toward social economic progress, regionalization, the consolidation of the principles of free trade and opening up to foreign trade, the private property system, free initiative, and equity in the economic and social spheres.

He added that these programs provide the general guidelines to encourage intermediate agencies to participate in matters of public interest that are studied by the ministries.

Larrain emphasized that through these documents, a number of actions have been made possible. Thus, in the social sphere, the reform of benefits has been carried out; the community has been able to participate more actively in the educational system through the municipalization of education; juveniles in abnormal situations have been given more attention; incentives have been provided for the adoption and sponsoring of children; and initiatives have been taken to improve the living conditions of the most deprived sectors.

In the economic sphere, he noted, exports and foreign investment have been promoted; more technical assistance has been provided to small and medium-sized industry; an effort has been made to eliminate most of the red tape that impedes the initiation of commercial, service and production activities.

In addition, he indicated that the regionalization and administrative decentralization of the country has been encouraged by delegating functions to regional and provincial authorities and creating the necessary regional representations.

In response to a question, Larrain stated that compliance with the ministerial tasks set forth for 1985 has not yet been evaluated, since the term ends on 31 December. The information will be processed during the first 2 weeks of January.

In any case, he said that the last quarterly evaluation that took place last September indicated satisfactory progress.

8926
CSO: 3348/337

CHILE

MINISTER OF MINES ANNOUNCES PROJECTS, PLANS FOR 1986

Santiago EL MERCURIO in Spanish 31 Dec 85 p C-2

[Article by Francisco Eterovic]

[Text] Punta Arenas--Investments totaling $2 billion over the next 3 years in just 3 projects were announced in this city by Mining Minister Samuel Lira Ovalle in his report on that ministry's accomplishments during 1985. He also announced the projects scheduled for next year.

His presentation covered the projects of Cerro Colorado, La Escondida, and the methanol project in Magallanes.

He called 1985's activities "very satisfactory," stating that "by defining them in this way, I have used a very conservative term, because in view of the decline in the terms of trade, especially with regard to prices of copper, gold and silver, one would expect a disappointing performance. Nevertheless," he stressed, "it has been very positive, since none of the production figures for 1985 is lower than those of 1984."

"As for copper, there was a slight increase in production over last year's figure. We estimate that total production for 1985 will be about 1.33 million tons of fine copper.

"In terms of yield, naturally the bulk comes from the Copper Corporation of Chile (CODELCO), which should achieve a total of 1.6 to 1.7 million tons. The rest corresponds to small- and medium-scale mining.

"With regard to gold and silver, we must point out that the prices of these minerals have fallen. In the specific case of gold, we also have a production figure that will probably fluctuate between 800 and 1,000 kilos, which is higher than the 1984 total. The same is true of silver.

"If we look at the performance of the rest of the mining industry, we also see improvements in production compared to 1984. Thus, the estimate for production of saltpeter this year reveals that it has risen and is already pushing 800,000 tons.

"In coal, we see a slight increase over last year's figures. The lithium plant in Antofagasta is already beginning normal production, so the total is substantially higher than the 1984 figure, which covered only a few months.

"As for iron, we also note an improvement of 5 to 6 percent. In this report if there is just one mining product that has declined since last year, it is petroleum. This is because the offshore wells' production has fallen off, as was foreseeable, and thus crude production for 1985 will be lower than in 1984.

"For the purpose of obtaining these yields in the small- and medium-scale mining sector, the National Mining Enterprise has assumed an active role in providing credit and in supporting certain prices."

Next Year

In this regard, he said that making predictions "is always rather complex, especially in terms of prices. I believe that much of what happens in the mining sector is precisely due to price movements. If they are favorable in 1986, then we will have a good year."

With reference to copper, he noted that the depression in this sector is primarily due to the worldwide economic slump, and for that very reason we are concerned about keeping costs below current prices.

"We are concerned about this, and for this reason a number of steps have been taken to promote the use of the metal. We believe that this is the way to find a solution to the problem of low prices. For this purpose we must promote the use of copper and find new uses, working together with some foreign companies so that various promotion centers, especially in Europe and the United States, will seek ways to avoid the substitution that is now happening with this metal, or will find new uses."

New Petroleum Law

With regard to the new petroleum law that is being drafted, he indicated that he wanted "to make it perfectly clear that its objective is to modify the provisions of Decree-Law 1089 concerning operation contracts for petroleum exploration and development, which covered the period from 1976 to the date of the new Constitution."

"In the 1980 Constitution," he said, "it is stipulated that the president of the republic has the responsibility of laying down the conditions and requirements for operation contracts for petroleum exploration and development, and that in each particular case, the chief of state would establish these requirements and conditions by supreme decree.

"The rules contained in the Political Constitution of 1980 modified Decree-Law 1089 of 1976, which dealt with this matter, and the provisions of the legislation that the honorable government junta is drafting today are designed to make Decree 1089 compatible with the constitutional regulations I referred to. This will make it possible for private or state enterprises, both national and foreign, to enter partnerships with the National Petroleum Enterprise (ENAP) to engage in oil prospecting and development in our country. These investors would assume all the risks entailed in the search for petroleum."

Outlook

In addition to the major methanol and fertilizer projects that are now underway in Magallanes, in the rest of the country the official noted that "there are also very important foreign investment projects in mining, such as Cerro Colorado, which will begin in the next few months. I expect that the terrain work in the first few months of nest year will yield some 60,000 tons of fine copper a year in the form of concentrates. The financing has been worked out, so no problems are expected.

"The La Escondida Project is also underway, and there is quite a bit of interest in its development. This is undoubtedly a very important project. Some $1.2 billion will be invested here to produce about 250,000 tons of concentrates.

"Naturally," added Minister Lira, "the Cerro Colorado Project is more advanced than this one; but I have seen a lot of interest among the investors, who comprise a British firm, a Japanese one, and an American one, the latter being in turn a subsidiary of an Australian company. They have expressed to the Mining Ministry their desire to accelerate all procedures as much as possible in order to make the investment as rapidly as possible. This leads us to believe that we could have the mine in production by 1989," he stated.

"The investors," he went on, "have been very emphatic in pointing out that our country, both in terms of natural resources and in legislation, is very fertile ground for conducting business and making investments.

"In the Cerro Colorado Project, for example, a very important West German firm has strong interests, as does a Finish company. In addition, the owner of the deposit is a Canadian company.

"Clearly there is a wide range of companies from various countries that are interested in Chilean mining, and if we look at the Cerro Colorado, La Escondida and Magallanes Methanol Projects, we see that well over $2 billion in foreign investment has been made.

"Naturally, all this has not come in a single year, but over 3 or 4 years," concluded the minister.

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CSO: 3348/337

DOMINICA

CHARLES HIT FOR NOTE CONGRATULATING GUYANA'S HOYTE

Implications for Dominica

Roseau THE NEW CHRONICLE in English 10 Jan 86 pp 5, 18

[Michael E. Charles column "Across the 86 Bridge": "Embracing the Rise of Fascism"]

[Excerpts

As the New Year sets in, and as the ruling Peoples National Congress in Guyana continues its fascist-type rape of the democratic process, this island's Prime Minister may have cause to think back on the misfortune of being the only Leader of CARICOM to have congratulated President Hoyte on selecting his party in the farcical poll of December ninth.

For, whatever protocol and foreign policy means to the relationships between the political bosses of CARICOM, their exercise deserves no place in any activity capable of placating even segments of regional opinion on behalf of a government that continues to keep itself in power by atrociously fraudulent means. But it is widely believed Miss Charles knows better than that. She should therefore find it proper to at least clarify her seemingly ambivalent position if only for the comfort of freedom-loving Dominicans. In other words, wanting the CARICOM Secretariat removed from Georgetown and refusing to attend Seventh Summit in the Guyanese capital are totally out of synch with apparent support for holding on to government by downright fraud.

Today's Guyana is a sad experience ...... The living example of a brand of socialism mercilessly corrupted into a warped establishment designed to feed the pockets and the champagne-and-caviar tastes of a parasitic and incompetent political directorate while ordinary citizens suffer untold deprivation of basic necessities like flour.

And other two decades of PNC rule it remains clear that the party either cannot or will not implement the sort of economic and social programmes that can bring meaningful benefits to Guyana and its people. But fully aware of what that means where Governments face the polls in true democratic style the PNC has simply chosen the fascist way of illegally installing itself as the one and only Government.

It can therefore be submitted, even without the hard-core factual evidence of vote-rigging on polling day, that the PNC could not have been harbouring any noble intentions, given the fact that it went through such great lengths to distort the ordinary CARICOM idea of an environment conducive to free and fair voting. Infact, make no bones about it, Guyana really did not have an election on December ninth. With the security of PNC faithfuls and their guns, Mr. Hoyte merely stage-managed the electoral procedure to confer some sort of legality on a majority support decided on by his party. Such behaviour cannot be acceptable ..... And the other CARICOM leaders, if they have any respect for the free and fair elections aspect of democracy, cannot shy away now from speaking out most forcefully against the rise of fascism in the Co-operative republic of Guyana. So far only Messrs Mitchel and Compton have really spoken and the onus is now on the others to take the side of the solution if they want to avoid association with the problem.

It is bad enough for a regime as brutal and as colossally corrupt as the PNC to have staunch apologists in Dominica in the persons of the Douglas Brothers .... yes, the loud mouthed self-professed defenders of human rights Mike and Rosie, who never have a bad word to say about the Botha-style authoritarian politics of Desmond Hoyte and Company. But it is even worse when CARICOM leaders with few exceptions, whose philosophers led them to invade Grenada to restore democracy in 1983, can turn around in blatant hypocrisy to favour pushing Guyana's deteriorating human rights record under the carpet, at least for the time being.

In support of such behaviour Barbados Prime Minister Bernard St. John argues that Guyana's real problem is that it has no alternative to the PNC, since Jagan and his People's Progressive Party are out and out communists. Mr. St. John says communists don't have elections but at least the PNC does ....

So it seems, stage-managed and fraudulent elections are better than no elections and it is acceptable to subvert the popular democratic will by every available fraudulent means so long as your party does not flaunt a communist banner. If this sounds like Washington, inspired ventriloquism perhaps it is ...... And certainly not surprising in the Caribbean scheme of things, where we have learnt to speak after those who advocate a brand of democracy that becomes authentic with allegiance or an anti-communist stand even though it really involves flagrant abuses of the electoral process to maintain power.

Yet these very leaders reserve their wholesale disgust and condemnation for the run of things in South Africa on the other side of the globe.

But in Guyana, here at home in the Caribbean, and well within the reach of CARICOM influence, the PNC is being allowed to get away with what some critics call political apartheid - the brutish denial of opposition access to the means of gaining power with loads of fraudulent practices.

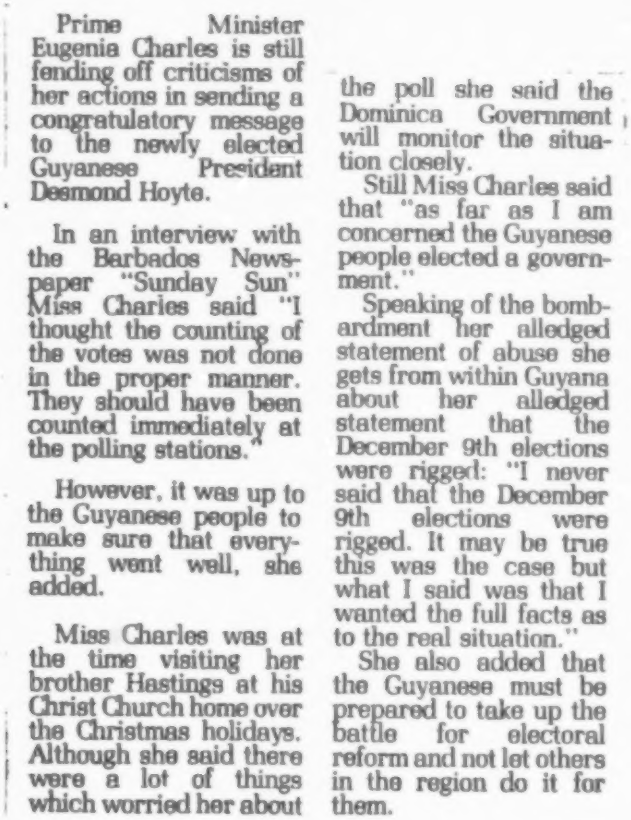
The Guyana situation, worsened in the last couple of weeks with unprecedented attack on churches whose only wrong-doing has been to speak out against human rights abuses holds serious implications. Generally for the entire region, where various combines of incompetent and power-seekers remain fascinated with the idea of holding power without the donkey's work of performing well enough to secure the popular will in a free and fair poll.

But it may hold even more significance for Dominica in particular, where apologists for PNC thuggery abound in the opposition and where certain prime ministerial statements appear to offer shelter to a government of fascists.

Charles' Defense

Roseau THE NEW CHRONICLE in English 10 Jan 86 p 5

[Text]



Prime Minister Eugenia Charles is still fending off criticisms of her actions in sending a congratulatory message to the newly elected Guyanese President Desmond Hoyte.

In an interview with the Barbados Newspaper "Sunday Sun" Miss Charles said "I thought the counting of the votes was not done in the proper manner. They should have been counted immediately at the polling stations."

However, it was up to the Guyanese people to make sure that everything went well, she added.

Miss Charles was at the time visiting her brother Hastings at his Christ Church home over the Christmas holidays. Although she said there were a lot of things which worried her about the poll she said the Dominica Government will monitor the situation closely.

Still Miss Charles said that "as far as I am concerned the Guyanese people elected a government."

Speaking of the bombardment her alledged statement of abuse she gets from within Guyana about her alledged statement that the December 9th elections were rigged: "I never said that the December 9th elections were rigged. It may be true this was the case but what I said was that I wanted the full facts as to the real situation."

She also added that the Guyanese must be prepared to take up the battle for electoral reform and not let others in the region do it for them.

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CSO: 3298/315

SEARCH AT LOUISON HOME LINKED TO PORT DELIVERY

St Georges THE GRENADIAN VOICE in English 11 Jan 86 p 16

[See also the Latin America DAILY REPORT FBIS-LAM-86-005 of 8 January 1986, page S1]

[Text] A minister of the former People's Revolutionary Government, George Louison was detained by police, for about 3 hours on Tuesday January 7 after an early morning search of his home for arms and ammunition.

It is understood that the search and detention followed reports that two vessels were seen discharging unidentified items at Halifax Harbour at Perseverance on the west Coast on Monday and that Louison was alleged to have collected the items.

Police mounted a joint operation with the Coast Guard, Customs and Immigration aboard the "Tyrrel Bay" to investigate the matter and Louison was called upon to give an account of his whereabouts at the relative time.

Reports reaching the Voice are that Louison refused to answer any questions put to him saying that he would be prepared to do so in Court.

Police are continuing to investigate the matter.

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GRENADA

BRIEFS

NUGMEG SITUATION--The Grenada Cooperative Nutmeg Association shipped 450 tons of nutmegs in the m.v. MENTOR on Monday, December 30, and the price which the shipment will fetch is about 40 percent higher than the prices which obtained during the last nutmeg year which ended in June. However, by the end of the trading year the Association had sold most of its accumulated stocks due to an increase in demand during the past two years. The Association ended the year with a net deficit although total revenue of nearly $12.5 million was almost 50 percent higher than the approximately $8.5 million of the previous year. Despite the deficit, and because of the improved trading and cash flow positions the Association transferred almost $2.25 million from reserves in order to make a Bonus payment to growers of $2 million representing an increase over the previous year of $800,000. Since the beginning of the new Nutmeg Year growers have been receiving an increased advance of sixty cents per pound for green nutmegs. The advance was increased last year from 40 to 50 cents. [Text] [St Georges THE GRENADIAN VOICE in English 4 Jan 86 p 1] /9274

CSO: 3298/321

GUYANA

HOYTE COMMENTS ON MUSTIQUE MEETING WITH CARICOM LEADERS

Bridgetown DAILY NATION in English 27 Jan 86 p 12

[Text]

GEORGETOWN, Guyana — Guyana's president, Desmond Hoyte, has said that his meeting in Mustique on Saturday with Caribbean Community (CARICOM) leaders "gave the lie to the predictions by some doomsayers that CARICOM was on the verge of disentegrating".

Hoyte made the comment shortly after returning home Saturday night from the holiday island.

"The meeting revealed that the commitment of the leaders of CARICOM is as strong as ever," he said.

CARICOM leaders, worried about developments in Guyana, called for the informal meeting with Hoyte, who has been accused by politicians and churchmen in Georgetown of elections-rigging, human rights violations, and church prosecution.

The meeting also took place against the background of calls for the isolation of Guyana within CARICOM.

It was attended by prime ministers Bernard St. John of Barbados, James Mitchell of St. Vincent, Dr. Kennedy Simmonds of St. Kitts and Nevis, Eugenia Charles of Dominica, and Herbert Blaize of Grenada.

Issues

Hoyte said he and his colleagues discussed a wide range of issues including the future of the regional integration movement, the forthcoming CARICOM Summit in Guyana in July and the state of intra-regional trade.

He also briefed the CARICOM leaders on recent political developments in Guyana and used the opportunity to present them with documents and video cassettes analysing these developments, including the December 9 general elections and the outcome of those elections, Hoyte reported.

He said the leaders were satisfied about "the justness of our case".

"The talks were conducted in a very friendly and informal manner, and were very frank, refreshing and cordial, and the leaders agreed that informal meetings of CARICOM leaders would be a welcome development," Hoyte remarked.

The CARICOM leaders were said to have agreed to keep in contact with each other on a more regular basis on a regional issues and about developments in their respective countries.

Useful initiative

"It was a very successful meeting, a very useful initiative, one which has set a useful precedent," Hoyte said.

He announced that Miss Charles, who had expressed reservations about attending regional meetings in Georgetown, indicated that she was willing to attend the CARICOM Summit there.

The CARICOM Council of Ministers Meeting which should have been held in Guyana from tomorrow to Sunday will now be reconvened in Georgetown in mid-February. Dominica was one of the countries which requested a postponement of the council meeting.

The leaders discussed ways of stimulating trade amongst their respective countries, which has been on the decline, as well as possibilities of reviving the stalled Caribbean Multilateral Clearing Facility (CMCF) — a trade credit mechanism.

President Hoyte said that some interest was shown in purchasing rice, lumber and sugar from Guyana. Guyana, he said, undertook to send a goodwill trade mission to other CARICOM countries to discuss, generally, possibilities of increasing intra-regional trade.

The mission is likely to be headed by Minister of Trade, Winston Murray.

The CARICOM leaders, President Hoyte said, indicated they knew opposition leader, Cheddi Jagan, and a team of other opposition members were now travelling through the Caribbean hoping to enlist the support of CARICOM heads of Government and their parties.

No encouragement

President Hoyte expressed confidence that the team will not "be given any encouragement at all, for while members of CARICOM are all interested in developments in sister CARICOM states, they are agreed that it is for the people of the respective states to settle their internal problems".

He said CARICOM leaders were of the view that the problems of Guyana have to be solved by the Guyanese people.

"They are interested in developments here because we are all members of CARICOM," he remarked.

"But this is not to say that they must come into Guyana to side with one political party or another. In the light of the documentation I have given them, I think they are satisfied with the justness of our case." (CANA)

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CSO: 3298/316

CREATION OF INDUSTRY, COMMERCE BANK EXPLAINED

Managua LA PRENSA in Spanish 23 Dec 85 p 5

[Excerpts] The recently merged BANIC [Nicaraguan Industry and Commerce Bank] will close its accounting entry on 31 December. It started with total assets of 28 billion cordobas and total deposits of 20 billion cordobas.

Although the idea of the bank merger arose last year, it was legally constituted last 20 September with the advice of Price Waterhouse which was in charge of the merger.

Both banks were originally private and were nationalized in 1979. However, their business name continues to be S.A. [corporation].

According to Antonio Medrano, the new bank was created to make Nicaraguan banking dynamic and specialized. This bank will devote itself to loans to small industry and commerce.

The old National Bank of Nicaragua, now the National Development Bank, began in 1912 with government capital. It will continue to devote itself to loans for agriculture and livestock, the main sector in the country.

According to the executive director of BANIC, it has absorbed the Bank of America rather than merged with it.

On 30 June 1985, the initial date for merging the capital from the two banks, there were assets of 18,046,000,000 cordobas and total capital of 386 million cordobas.

BANIC will have the same logo as before. It will open its doors with 50 percent of the total volume of the financial system and with 28 percent of the total loan system. The National Bank will monopolize the rest since it is for the agricultural-livestock sector.

The banker indicated that BANIC will have 43 branches throughout the country: 20 will be in Managua and 23 in the rest of the departments.

He said that there are 2,268 employees throughout the country and 515 vacant positions at this time.

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CSO: 3248/156

OBANDO'S CHRISTMAS MESSAGE TO FAITHFUL PUBLISHED

Managua LA PRENSA in Spanish 21 Dec 85 pp 1, 8

[Text] Cardinal Miguel Obando Bravo has sent the following Christmas message to the Nicaraguans:

This month when we Nicaraguans celebrate the feast days of Mary, we begin our message by invoking the intercession, aid, and protection of Mary, "Mother of God and of all us sinners."

Renewing our devotion to the Immaculate Heart of Mary, we ask our Mother to obtain for us:

A heart of a handmaid like hers (Luke 1:38), trusting blindly in the promises of the Lord, Our God, and patiently storing away in our hearts those things that we do not understand or that trouble us (Luke 2:51), praising the Lord and proclaiming His greatness at all times and places (Luke 1:46-55).

By our intercession advancing "the hour of the Lord," as in Cana, without neglecting what we are called to do ourselves (John 2:4), walking through the world like her with silent humility, not expecting flattery or first chairs, but always willing to say loudly and clearly the things that need to be said. Traveling the Way of the Cross with calm dignity and even reaching Calvary without fear.

December is the time of Advent, time for waiting, waiting for what is, for what was, for what had to come. Prepare ye the way of the Lord.

It is Christmas time, time to deepen in the mystery of our salvation by Him whose love is infinite, the eternal presence of the Father of Mercy, Him whom the church glorifies through all centuries forever, Jesus Christ.

"A child has been born to us, a child has been given to us." "In Him was life and the life was the light of man. This light shines in the darkness and the darkness grasps it not."

The words that the angel spoke to the shepherds in Bethlehem echo in the ears of men and women of faith: "I bring to you tidings of great joy for all people. Today in the city of David a Savior has been born to you; He is Jesus

Christ." Then the angel choir sang praises, saying: "Glory to God in the highest and peace to men of goodwill."

"He came to His own and His own received Him not, but to those who received Him and believed in Him, He gave the power of becoming children of God."

December also means preparation and prelude for the new year that approaches so that we propose a new and different life. Therefore, this must be a time of reconciliation and forgiveness, individual and collective, national and personal. He who is not fit to undo even the sandal strap of the Lord, King of Peace, will continue calling for repentance and forgiveness even at the risk of being a voice that cries out in the desert.

Only in friendship with God can we draw out from the heart of the Father the peace that we Nicaraguans want and that is a necessity for our survival as a civilized people and as a nation, a peace that Christ gives us, the constant desire of all peoples of the world. He is the Prince of Peace (Is. 9:6). He came to reconcile all things with the blood of His Cross, those on earth as well as in heaven (Col. 1:20). He commanded his disciples to carry peace as the greatest gift of God: "My peace I leave to you, my peace I give you" (John 14:27).

Christmas must make us recall like the evangelist that we must stand erect, hold our heads high, because the day of liberation has come (Luke 21:28). We must never lose hope for a Nicaragua at peace, a peace that we all have the duty to construct from a change of heart to national reconciliation. Let us resist those who want to quench our vocation of hope (John Paul II: The Pope in Latin America).

The Lord walks at our side as on that far-off night when He asked Peter to walk on the water. Today, like then, He repeats to us: "Do not be afraid; it is I." To His voice saying "come," we hurl ourselves confidently on the water.

But Christmas is also a prelude to the joyful announcement that the Word Incarnate came to us to be among us, Emmanuel, God with us. To encamp among His people and be with us all the days until the end of time. For them, He established the supreme sacrament of His living presence: the Eucharist. The Eucharist is, in addition to presence, unity, and communion with Him and our brothers, the source of life and main axis of Christian coexistence.

Therefore, I take this opportunity to give you the great news of the celebration of the National Eucharistic Congress on the feast of Christ the King in 1986. In preparation we have declared 1986 the Year of the Eucharist in our archdiocese.

Jesus Transubstantiated heightens the evangelizing action of the church which wants to show renewed faith at this congress that His Holiness John Paul II has proclaimed for Latin America celebrating the fifth centennial of the discovery and evangelization of the American continent.

The basic objectives of our Eucharistic Congress are beautiful and marked by our great love for the Eucharist and our commitment to the faith of this people that has as principal sources of spiritual nutrition: devotion to the Holy Sacrament and to Holy Mary and loyalty to the church, led by Peter, by the Pope.

What do we propose?

A) To explain, revitalize, deepen, and expand the Eucharistic faith of our people.

B) To promote evangelization in its basic context.

C) To promote ministerial vocations and the consecrated life.

D) To publicly and solemnly show the love of the people for Jesus Transubstantiated.

E) To use the special time of the congress to strengthen and purify the stable and permanent structures of the archdiocesan church.

F) To emphasize popular religiousness and a true mission for Masses as well as the requirement of church communion.

To advance this work, we have appointed a secretariat to translate the objectives of the congress into practical guidelines and coordinate all the work of the commissions that must be formed.

My beloved brothers, priests, religious, and laity, let us live a year of true church activity, aimed at the success of this Eucharistic Congress that will undoubtedly yield abundant fruit, especially strengthening our faith in Jesus Christ and in His church of which we are all part and which we love, "Holy and Immaculate."

The Holy Father, Pope John Paul II, inspires us to celebrate the Day of Peace worldwide on 1 January with the beautiful and thought-provoking motto: "From north to south, from east to west, a single peace."

Let us make that day a true day of prayer for peace in the world so that the resources of the people are used for the happiness of men and not for their destruction and death. So that, concretely in Nicaragua, the message of the Pope reaches the hearts of all men of goodwill.

This message serves, then, to solemnly convoke the Eucharistic Congress and proclaim 1986 the Year of the Eucharist in our beloved Archdiocese of Managua.

Merry Christmas to all. May the Star of Bethlehem illuminate and transform our hearts.

Managua, 20 December 1985
Miguel Cardenal Obando, archbishop of Managua

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BRIEFS

AID AGREEMENT WITH USSR--The Soviet and Nicaraguan ministers of foreign cooperation, Alexander Ivanovich Kachanov and Henry Ruiz respectively, signed an agreement last night. The Soviet Government promises to supply the Nicaraguan Government machinery, spare parts, industrial and agricultural supplies, food, and basic consumer goods. At the first meeting of the Nicaraguan-Soviet Intergovernmental Commission, both governments stipulated what Soviet cooperation with Nicaragua would be in 1986. Minister Ruiz stated: "The agreements reached by the joint commission came within the framework of a serious economic crisis faced by Nicaragua, blockaded and attacked by Yankee imperialism. For that reason, the results of this meeting have unusual significance for the country in its fight for survival." Kachanov, first vice chairman of the Soviet State Committee for Foreign Economic Relations, reaffirmed his government's decision to continue offering aid to Nicaragua in order to contribute to its economic development. Both officials agreed that the negotiations at the first meeting were held in an atmosphere of mutual respect and growing friendship between the two governments, peoples, and parties. The Nicaraguan and Soviet delegations also covered other topics of mutual interest like the international crisis and the development of the oppressed peoples. The Soviet mission visited places of importance for the economic development of the country and talked with leaders of the revolutionary government. [Text] [Managua BARRICADA in Spanish 21 Dec 85 p 1] 7717

CSO: 3248/156

FORMER AP PRESIDENTIAL CANDIDATE CRITICIZES GOVERNMENT POLICY

PY232339 Lima Latinoamericana Television in Spanish 0300 GMT 23 Jan 86

[No video available]

[Excerpts] Former Popular Action [AP] presidential candidate, Javier Alva Orlandini, today broke the political silence he has maintained in the 8 months since his political defeat. Alva Orlandini made the following statement after the funeral of well-known journalist and politician Jose Maria de la Jara.

[Begin recording] [Unidentified reporter] Sir, you have been a bit out of touch with political activities, aren't you going to return to AP activities?

[Alva Orlandini] At present I am in private law practice but this does not mean I am not concerned about public affairs, which I am closely following.

[Reporter] Do you believe that AP should participate in the municipal elections in November?

[Alva Ordlandini] I believe that all political parties should always be active and the only way for any political party to do this is to participate in elections. Therefore, I believe that AP should participate in the municipal elections in November 1986.

[Reporter] What do you think about the present national political and economic situation?

[Alva Orlandini] I am very concerned that the initial opinion people had about this government is rapidly deteriorating. There are a series of mistakes that are being widely discussed by the people.

Regarding economic matters, there is an apparent freeze on prices, but in truth the prices in the market place are different from the ones fixed by the government.

There is also a decrease in food production. This is not a temporary situation but a structural problem which makes it cause for even more concern. We can temporarily overcome the problem caused by the shortage of food through the import of potatoes, meat, poultry and rice but the problem will continue. Therefore, I am very concerned about the prices of foodstuffs.

[Reporter] How would you solve this problem?

[Alva Orlandini] I believe we should not merely try to find spectacular solutions by implementing measures that on paper appear to be good. What we should do is promote national production, particularly agricultural prodcution, the decrease of which is presently affecting Peru.

[Reporter] Don't you think we are now experiencing the result of the erroneous policies of the previous regime?

[Alva Orlandini] Well, the present government is enforcing the policy of Lot's wife, who looked backwards at the risk of becoming a pillar of salt.

I believe that the difficulties we are experiencing are caused by present problems not by old problems.

I believe that the decrease in production in the agricultural sector has been partially caused by the mistrust with which some measures implemented by this government have been viewed. There is no investment in agricultural production.

[Reporter] You have just said that democracy may be in danger. Can you specify what danger you are talking about?

[Alva Orlandini] The lack of confidence in a government that achieved a majority of votes in the elections. This lack of confidence will obviously undermine the stability of the democratic system and pose serious difficulties to this government. This is why I believe that all economic measures should be [words indistinct] so that production may be promoted, because without it there can be no stable democracy?

[Reporter] What are your views on the present oil policy?

[Alva Orlandini] I believe that this has been a great victory for the Occidental Petroleum Company because they achieved something they were not able to achieve before, that is, they received permission to carry out expoloration and exploitation work at Field No 36.

[Reporter] Would you say that it obtained better conditions than those granted by the [words indistinct] Law?

[Alva Orlandini] Yes, indeed. I do not see any additional investments. Apparently, they are simply going to pay those taxes which, according to the government have not been paid. It is estimated that these taxes total $250 million, which the Occidental Petroleum Company will use in the exploration and exploitation of oil. The Occidental Petroleum was not granted Field No 36 before, because according to the [words indistinct] revenues, it did not pay taxes. Well, now it will not pay taxes, but it will be granted Field No 36 anyway.

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PERU

OPPOSITION LEADERS CHARACTERIZE GARCIA AS 'AUTHORITARIAN'

Lima EL NACIONAL in Spanish 26 Dec 85 p 9

[Article by Segundo Nunez]

[Text] EL NACIONAL collected the opinions of senators Adolfo Guevara Velasco (PAP) [Aprista Party of Peru], Felipe Osterling (PPC) [Popular Christian Party], Enrique Bernales (IU) [United Left], Romualdo Biaggi (PAP), Gaston Acurio (AP) [Popular Action], and Valentin Pacho Quispe (IU) on legislative work and government administration during its 5 months in office. Below are their statements.

PAP Opinion

Senators Adolfo Guevara Velasco and Romualdo Biaggi agreed that the legislative work has been positive since major laws have been approved. "It could be better, but the regulations of the chambers are not flexible enough to permit fast action."

Judging the work of the Executive Branch, Guevara said that it has been very positive, especially President Garcia's position toward the IMF and payment of the foreign debt.

He called the accusation that President Garcia is "authoritarian" and "personalistic" a "political ploy of the opposition."

"Action and dynamism cannot be confused with authoritarianism, especially when that action is for the benefit of the country, especially the neediest."

Biaggi indicated that the work of the government has been "optimal" and has been characterized by President Garcia's dynamism based on his desire that the social problems of the country disappear as quickly as possible.

IU Speaks

Senator Enrique Bernales and his colleague, Valentin Pacho, revealed that legislative work has been very bad. Pacho said: "The legislature has ended unimpressively." Bernales noted: "You cannot squeeze blood out of a turnip." He said he was disappointed by the way things went these first 5 months.

Bernales said that the legislative inefficiency was due to the fact that it is an "antiquated" and "obsolete" organism. Therefore, major laws like the one on labor stability and the one on renting were not passed. Some had even been heralded by the president of the republic himself on 28 June when he took office.

As to the work of the government, he said: "It tries to walk with its left foot but it does not do it confidently." He noted that this is because "there is no definition; there is no clarity. It is trying to comply with the popular sectors and, at the same time, the multinationals. The proof is the fact that, first, the oil contracts were rescinded and now there are negotiations with the same enterprises."

"Belaunde's government was for the multinationals. The current government must opt for the popular sectors because that is its only alternative."

Pacho said: "I see the government as a dictatorship of the Executive Branch. The legislative branch comes second despite the fact that it is the primary state authority. I had another idea of Parliament but it is not our fault. APRA [American Popular Revolutionary Alliance] is in the majority and it makes the decisions."

PPC, AP Opinions

Felipe Osterling of the PPC, one of the harshest critics of legislative work and government administration, stated that legislative work has been "poor." The first reason is that "the president of the republic is taking over all the institutions." The second is that the congress is made up mainly of new people who are just learning how it works.

There is "a great personalism" by the president in the Executive Branch. He acts in every sector of the state, detracting from his own ministers. Despite this, "we do not see measures clearly being taken to revitalize the economy and fight subversion." He also said that there is talk of fighting imperialism. However, only U.S. imperialism is attacked; Soviet imperialism is ignored. "The proof is the rapprochement with Cuba and Nicaragua."

Gaston Acurio (AP) indicated that the legislature has been efficient but inadequate. It has not passed important bills and its supervisory work has been ineffective. The investigatory commissions have not come out with their conclusions except in the "Accomarca case" when "a report was issued" but only seen in a secret session.

He also criticized what he considered "inconsistencies" in the current government, as in the cases of oil and control of basic commodities.

As to oil, he said that if Occidental, Belco, and Oxy-Bridas have acted irregularly, new contracts cannot be negotiated with them.

However, he pointed out that price control of basic commodities has made it possible to lower inflation. If that rate continues without hurting production, it will soon yield positive results. He noted: "That would be a real achievement."

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CSO: 3348/329

PERU

TORRENTIAL RAINS CAUSE HEAVY DAMAGE

Property, Crop Losses

PY272106 Paris AFP in Spanish 1518 GMT 27 Jan 86

[Excerpts] Lima, 27 Jan (AFP)--The Civil Defense today reportdd that the torrential rains in the Department of Puno, Arequipa, and Ica have caused seven deaths, over 40,000 homeless, the derailment of two cargo trains, and thousands of hectares of lost crops.

Sources at the Ministries of Agriculture and transport and Communications have said that the situation is so dramatic that the Peruvian Government probably will have to take urgent measures to rehabilitate the devasted regions.

In Puno, 1,314 km southeast of Lima, the waters of Lake Titicaca overflowed last weekend, flooding nearby neighborhoods and extensive cultivated land, thus raising the number of homeless to 30,000.

In Puno, which is 3,800 meters above sea level, six people have died from lung diseases, edema, and typhoid since the floods swept away their homes. The population has been left without power, drinking water, and food.

The seventh casualty was Marcelino Turpo, 36 years of age. His body was found frozen floating in water near his house.

Several roads have been cut in Desaguadero, a town located on the Bolivian border, and in the northeast region of Puno Department, where the Ramis and Huancane Rivers overflowed 2 weeks ago, destroying 2,000 hectares of crops.

In Arequipa, the second largest Peruvian city located about 1,050 km south of Lima, the Chili River has flooded populated areas and destroyed crops.

Prefect Raul has reported that emergency measures have been taken. He said that about 20,000 people who live near the three dams in that city have been evacuated and that the water levels in the reservoirs have been gradually lowered to prevent the rains from causing catastrophic floods.

In Cailloma and La Union Provinces, some towns have been isolated, roads are flooded, and hundreds of hectares of crops destroyed. The Civil Defense has confirmed that several brigades are trying to help about 10,000 flood victims.

The situation is almost as serious in Tiabaya and Uchumayo and in the Tambo and Majes Valleys. Diaz added that the aid for the flood victims near Arequipa is going well.

Puno Flood Victims

PY020252 Madrid EFE in Spanish 2314 GMT 1 Feb 86

[Text] Lima, 1 Feb (EFE)--The Peruvian Government has declared a state of emergency in four provinces in Puno Department, which borders Bolivia, "in the face of the disasters caused by the torrential rains and overflowing rivers."

An official communique released today by the Ministry of the Presidency stated that 15 million Intis ($1 million) have been allocated for buying food, medicine, and fuel for the victims, also that a committee has been designated to provide emergency aid to Puno.

The floods, which have affected the areas near the overflowing Lake Titicaca for more than 10 days, have reached two neighborhoods in the city Puno, the department's capital, as well as thousands of hectares of farmland.

Ninety-eight percent of the schools in the areas near Lake Titicaca have been flooded. While according to official estimates of 100,000 victims, press reports have said there are as many as 200,000.

Officials in Puno have reported that seven people contracted diseases and have died, although this information has been denied by Health Ministry officials.

According to the press, seven bodies were found on the banks of the Coata River.

In Lima, the flooded Rimac River killed an undetermined number of people and destroyed houses and crops.

No official estimates of the damage caused by the floods in areas other than Puno and Lima have thus far been released.

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CSO: 3348/422

PERU

BRIEFS

ARAB LEADERS INVITE GARCIA--Special ambassador Miguel Angel Mufarech said yesterday that several Arab chiefs of state have extended a special invitation to President Alan Garcia Perez to visit their countries in 1987. Before leaving for Rabat, Morocco, on an official mission, Mufarech said that the Arab world is quite different from what people think. He stated: "It is a potential market with annual imports of $200 billion. It is made up of Third World countries like Peru that want to have trade and cultural relations with our country." Rabat will be Mufarech's first stop on a tour through 12 countries. During the tour, he will make final arrangements not only for the opening of embassies but for a major tour by 100 Peruvian industrialists. According to what he said at the airport, they will take a gigantic exhibit around by ship and airplane next April. This large industrial and commercial delegation will be headed by Manuel Romero, minister of industry, tourism, and integration, and the minister of foreign relations, Dr Allan Wagner. Mufarech reported that he is taking a personal letter to King Hassan of Morocco from President Alan Garcia. He is also carrying a letter from Foreign Minister Wagner to his Moroccan colleague. The special ambassador was very optimistic that the gigantic Arab market can be won over by Peru since they import everything and do not manufacture anything. They like Peruvian products like fruits, preserves, crafts, woods, canned goods, and hundreds of other products. [Text] [Lima EL COMERCIO in Spanish 23 Dec 85 p A-5] 7717

PROGRAM FOR STREAMLINING BUREAUCRACY--With the objective of making public administration an agent for national development, the government yesterday published a supreme decree in the newspaper EL PERUANO, approving PRONADE [National Program for Streamlining Bureaucracy]. This program was approved because it was felt that "the public administration is too big, too centralized, and too regulated. This causes slowness, obstruction, and inertia." PRONADE will take the following lines of action: deconcentration and decentralization of decision making concerning personnel and resources; simplification of administrative norms and procedures; institutional reorganization; training and motivation for public workers; participation by social and economic organizations in the application of government policies; and support for the development of morality in public duty and citizen conduct. PRONADE will be approved in each sector through a resolution by the respective official. Nonsectorial organizations and municipalities will do the same. It also established that all public entities are required to develop effective publicity about the services they offer the public, stating the requirements and duration of the procedures in their guides on service to the public. INAP [National Public Administration Institute] will direct and coordinate the elaboration of the programs and will supervise their execution, reporting periodically to the presidency of the Council of Ministers on their progress. [Text] [Lima EL COMERCIO in Spanish 22 Dec 85 p A-5] 7717

SOUTH KOREA IMPORTS INCREASED--South Korea bought Peruvian products totaling more than $82.5 million in the first 9 months of this year, a 52-percent increase in Korean purchases compared to the same period in 1984. This was reported by Kuk-Un Won who also pointed out that South Korean purchases during this period represent a 30-percent increase over all of 1984. During that same period, Peru imported $5.3 million in products from South Korea so the trade balance between the two countries was favorable to Peru by a ratio of 15 to 1. The total volume of trade between the two countries as of the end of the third quarter of 1985 was $87.9 million, a remarkable increase of more than 51 percent or $29.7 million compared to the same period in 1984. As of September 1984, the total volume was $58.2 million with Peruvian exports to South Korea totaling $54.3 million and Peruvian imports totaling $3.9 million. As of September 1985, this Asian country had purchased iron concentrates, crude oil, and mineral, textile, agricultural, and fishing products. The largest increase in purchases compared to 1984 was in wool fabrics, crude oil, fishmeal, and copper and lead products. Peruvian imports during the same 9-month period increased by $1.4 million. Peru mainly imported industrial products from the steel, electronics, and textile sectors. The articles most in demand were electronic parts and components, coils for tin-plate, and synthetic thread. More than 20 members of the South Korean trade mission, made up of government representatives and private business leaders, visited Lima at the beginning of September. They held fruitful talks with Peruvian ministries, government entities, and private businessmen. The Chambers of Commerce of the two countries are ready to sign a formal protocol of cooperation to promote trade between private companies. [Text] [Lima EL COMERCIO in Spanish 22 Dec 85 p F-4] 7717

CSO: 3348/329

ST CHRISTOPHER AND NEVIS

SIMMONDS SPEECHES ADDRESS DOMESTIC, REGIONAL ISSUES

New Year's Message

Basseterre THE DEMOCRAT in English 4 Jan 86 p 4

["Highlights" of Message for New Year's Day 1986 by Prime Minister Dr Kennedy Simmonds]

[Text]

Fellow Citizens:

I wish you all a Happy New Year. I know that you have had a Happy Carnival and a very successful one.

But as carnival winds to a close on this final day, let me implore you to be peaceful, to be careful and to show consideration for others so that the season may end peacefully and end well.

We stand now at the portals of 1986, look out upon the year, and in a sense take a panoramic view of what lies before us. We are still in a position to make new decisions, to make up new objectives, to plan and to make changes and adjustments in respect of 1985 that is behind us. 1986 is before us and we can still therefore influence the outcome of this year.

I think it is important for us therefore in our own minds, to place the new year in perspective. We need to set goals, to set personal goals to set communal goals and to set goals as a nation.

I think that if we were to sum up our main goal for 1986 it would be briefly summed up in two words "Greater Productivity". As an Independent growing nation, we must set ourselves the task of being more productive, of making better use of our time and our energies in the new year. In order to do this we need to mobilise all of our resources. We will need to put divisiveness aside, we will need all to work in the same direction and towards the same purpose which is a better life for all of us.

We as leaders have the responsibility to seek to motivate you the citizens and all of us who would lead must take hold of this responsibility. We must be careful that we donot seem sometimes to be merely following the pack, but rather that we are out front and leading the way and we must lead the way towards greater cooperation, towards greater commitment and towards greater productivity.

One of our important objectives is the objective of feeding ourselves as a nation. I will not hold out to you that this can be done all at once, nor that it will happen all in 1986, but I think that we are geared and well prepared to embark more fully upon this most important objective.

In an effort to feed ourselves, we have undertaken some experimental projects in the production of rice. I think all of you are fully aware that we have had a very successful project in rice production at Cranston Estate. What is exciting about this, is that we have been able to grow a variety of rice which grows well in our conditions and under the amount of rainfall to which we are accustomed here in this area. We received great assistance in this respect from the experts from the Republic of China and the experimental project of growing dryland rice has been successful.

It is important that we link and tie in our agricultural development programme with other aspects of our programme for 1986 and beyond. In this respect, our agricultural programme must look towards the growth of tourism as a potential market place for our agricultural products. Not only therefore, are we seeking to feed ourselves, but we are seeking to feed our visitors and reduce the imports of food for the tourist industry.

There is at the moment, considerable expansion in our tourism plans. We are still on stream for the approval of the South East Peninsula Road in 1986 and we sincerely hope that that will come as expected. In addition, there is considerable construction going on for the addition of new hotel rooms. At Jack Tar Village, some sixty-four rooms are being prepared for February of this year and it is proposed to continue construction beyond that particular period. There is considerable expansion at Ocean Terrace Inn, at Hermitage Plantation in Nevis and at Golden Lemon in Dieppe Bay. Also, there are some investors who are proposing to construct additional rooms in 1986.

I am fully aware that there is an area of great concern to many people and that is in respect of our sugar industry. Sugar industries all over the world are at this time areas of great concern. It is well known that we have done much to maintain the industry in this country inspite of the difficulties and inspite of the problems which have not been of our own making. I refer to issues such as the falling price of sugar and the falling value of the pound sterling. You are well aware that we have taken the decision to reorganise the sugar industry. As a result, some persons have become not unreasonably concerned about the prospects for 1986. It would be difficult for us at this time, to give any serious indication about details relating to wages for 1986, because our approach is to put in place the new management of the industry and then to have that management assist us in implementing the further details of reorganisation. Let me say, however, that I certainly will make every effort to convince the new management that certain very serious considerations should be given to a modest increase to the workers for the 1986 crop.

As sugar faces its difficulties and as we realise that our programme of diversification must move forward a page, I think we do have encouraging news in the area of development of light industry. Last year we had a net increase of jobs in light industry totalling about two hundred and seventy.

I know that concerns have been expressed in various quarters about some of the proposals which are in our new protection of employment legislation. We gave that legislation a first reading and we did so for the expressed purpose of permitting comments, questions and criticism from various sectors of the public. However, I would like to caution against any undue panic or even hysteria in this regard. I think all of us need to take a very calm and very serious look at the conditions under which our people work and recognise that much still needs to be done, and has to be done, in order to improve the conditions of service of our workers in this country. Our workers are a very important and perhaps our most important resource and every effort must be made to ensure that they are well protected.

If we start from this premise and approach the whole subject in a rational and calm manner, I am sure that we will come up with a solution which will assist all sections of the community in their various activities.

In addition, in order to keep pace with the demands of modern living and modern technology, we intend to embark in 1986 upon our higher education programme - our college of higher education. I made the point in my address to the Technical College that we are not waiting merely for the building because the buildings do not make the people, the staff and the students. We will embark upon our programme in 1986 and we will expect our Technical College to form a significant part of that programme, because it is there that we must address the new technology required for the growth and development of computers and computer science, and the teaching of computer science in our community. Although we do not have all of the buildings, we will move ahead with this programme in 1986.

In addition, our policy of providing new recreational facilities will continue. I regard this whole question of recreational facilities for the young people as one of paramount importance. Our young people are people with tremendous energy and tremendous initiative, and we must find ways and means of channelling this energy into wholesome and healthy activity.

I want to issue a special word of caution to our young people, and to say to them that they must at all times avoid involvement with dangerous drugs. It is a problem which is spreading in the world and we are not necessarily immuned to this problem. But I am hoping and I am imploring our young people to make their lives healthy and strong both physically and morally, and to avoid the ravages of drugs, because it is upon healthy people that we will build a strong nation.

If we are to embark upon new programmes and continue some of the old ones, there is no doubt that we will require considerable outside assistance. In order to ensure that that assistance will continue to be forthcoming, we intend to continue our diplomatic initiative which has so far borne fruit.

So far we have had such agreements with the Republic of Korea and the Republic of China, Taiwan. We have had heavy equipment provided by the Republic of China. In 1986 new agricultural laboratory equipment is to be provided for Nevis from the Republic of Korea and from the Republic of China. A project for 1986 with respect to Nevis will involve the provision of new irrigation equipment.

In order to give greater impetus to these diplomatic thrusts, we have decided to make certain appointments. Dr. William Herbert, who at the moment is our only Ambassador Extra-Ordinary, will be expanding his port-folio to include Japan. We have already received the agreement for his appointment from the government of Japan.

In addition, we will be appointing in 1986 an Ambassador to the Republic of Korea and the Republic of China. I have already received the agreement to the appointment of this Ambassador, and I am happy to announce that we have named Mr. Terence Byron to be the Ambassador to the Republic of Korea and to the Republic of China.

The Federal Republic of Germany is another country to which we will be appointing a High Commissioner which is basically the same as an Ambassador. Our High Commissioner to London, Dr. Claudius Thomas will include the Federal Republic of Germany in his Ambassadorial Constituency on our behalf.

In order to assist our people in being better able to contribute to the growth of the nation, early in 1986 we will be finalising the details of the tax relief measures which will be applicable to banks that give assistance to our people for the purchase of land and for the building of homes.
Pride which is so necessary for the building of any nation must have its foundation in people who can themselves own a piece of the rock.

In 1986 we will want to see more of our people own land and own homes and the government has put in place mechanisms to assist in this regard.

Let us all join hands. Let's all adapt a singleness of purpose. Let us all pool our resources, our energies and our considerable talents towards one objective and that objective is to provide a better quality of life to all the people who inhabit this great and wonderful country of ours.

May God abundantly bless us in 1986 and give us the strength to achieve greater heights of development.

Views on CARICOM

Bridgetown BARBADOS ADVOCATE in English 20 Jan 86 p 1

[Text]

Dr. Kennedy Simmonds, Prime Minister of St. Kitts and Nevis, has called on Caribbean people to be totally committed to regionalism.

Speaking at the 47th annual general conference of the Barbados Labour Party yesterday, Dr. Simmonds said that there was a good rapport between today's Caribbean leaders and a genuine desire to strengthen the Caribbean Community (CARICOM) and its institutions.

"I am not certain in my own mind, however, if the same fervour for Caribbean unity is present amongst the people of the region. If it is not, then the media and the supporting cast of the political directorate, that is, you present here today, must share with us, the leaders, some of the responsibility for this shortcoming," he said.

Dr. Simmonds noted that it was painful to be a small independent country in today's hostile world.

"It is painful when the metropolitan powers who control the world's monetary system dictate the low prices for our primary products like sugar which they buy and, on the other hand, institute high price for the machinery and other commodities which they sell," he said.

"It is painful when so much of the aid that we need finds its way back to donor country consultants and corporations.

"It is painful when a country like St. Kitts and Nevis which has lost money on the mainstay of its economy, sugar, for at least the last 15 years, has to fight tooth and nail to convince the World Bank and the International Monetary Fund that by virtue of our underdevelopment we should qualify for concessionary assistance."

Foundation

Dr. Simmonds said that while it would be naive to suggest that the Caribbean Community as an institution or Caribbean integration as a concept was the panacea for all these ailments, he did believe that Caribbean economic co-operation could provide all in the region with a foundation on which to build more stable and resilient economies. "The larger market which the region provides is essential to the growth of every member of the Community," he said.

He said that while it was easy to highlight the failures and shortcomings of the Community, there were success stories including the University of the West Indies and the West Indies cricket team. He noted that in the countries of the OECS, the appreciation of regionalism was growing and with it, the strength of the organisation.

"You who are gathered here today have a special opportunity to sensitise the people, the rank and file, of your country to the reality of our Caribbean interdependence. You are part of the political hierarchy but you are not restrained or bogged down by its bureaucracy.

"You, as the heart and soul of your party organisation, are perfectly placed between the people and the Government, and not as a divider, but as a bridge — a two way channel of communication." He told the gathering.

Dr. Simmonds told them their function was to tell the people whom they met each day what the Government was doing. "You can explain in your own idiom what the policies and programmes are and the rationale for these policies. At the same time, you can allay fears and answer questions which are on the minds of the people."

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CSO: 3298/319

ST VINCENT AND THE GRENADINES

GRENADINES RESIDENTS UPSET AT GOVERNMENT INDIFFERENCE

Kingstown THE VINCENTIAN in English 17 Jan 86 p 6

[Text]

The Minister of Communication and Works, Burton Williams announced through the Government Information Service, a ten (10) million dollars EC "Plan of Action" for his Ministry for the earlier part of 1986. in Mr. William's "Plan of Action", there is one project to be implemented in one Grenadine Island, Canouan; a Water Tank.

Williams noted that the project is expected to create significant job opportunity for labourers and skilled persons in the Grenadines, but people there have criticised the Minister's "Plan of Action" saying that much more could have been looked into for the Grenadines.

They say Mr. Williams, along with the representative of the Grenadines, Prime Minister Mitchell, had visited the Grenadines recently and would have observed areas there which need immediate attention. They claim that the condition of the roads in Bequia especially, is not encouraging to the island's Tourist trade, and moreso, is becoming an expensive commodity to taxi-men. The main road in Bequia, from Port Elizabeth to Paget Farm, is affected badly by pot holes and is deteriorating rapidly they say. The people in the Grenadines are calling on Mr. Williams to look into other projects in the Grenadines and make the necessary adjustments.

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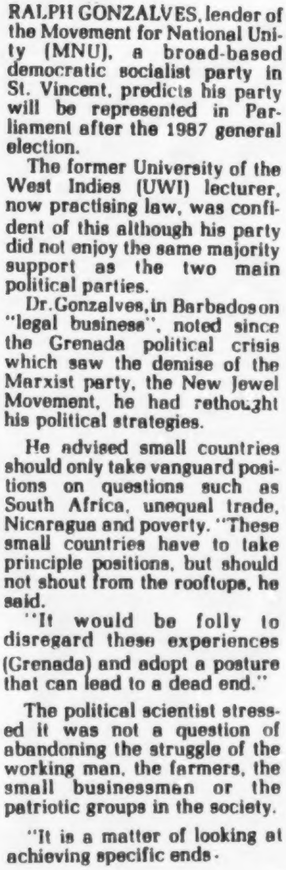
CSO: 3298/311

ST VINCENT AND THE GRENADINES

MNU LEADER IN BARBADOS, DISCUSSES FUTURE PROSPECTS

Bridgetown WEEKEND NATION in English 17-18 Jan 86 p 3

[Text]



RALPH GONZALVES, leader of the Movement for National Unity (MNU), a broad-based democratic socialist party in St. Vincent, predicts his party will be represented in Parliament after the 1987 general election.

The former University of the West Indies (UWI) lecturer, now practising law, was confident of this although his party did not enjoy the same majority support as the two main political parties.

Dr. Gonzalves, in Barbados on "legal business", noted since the Grenada political crisis which saw the demise of the Marxist party, the New Jewel Movement, he had rethought his political strategies.

He advised small countries should only take vanguard positions on questions such as South Africa, unequal trade, Nicaragua and poverty. "These small countries have to take principle positions, but should not shout from the rooftops, he said.

"It would be folly to disregard these experiences (Grenada) and adopt a posture that can lead to a dead end."

The political scientist stressed it was not a question of abandoning the struggle of the working man, the farmers, the small businessman or the patriotic groups in the society.

"It is a matter of looking at achieving specific ends.

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CSO: 3298/311

ST VINCENT AND THE GRENADINES

BANANA WORKERS PROTEST; MOLLIFIED BY MINISTER JACK

Kingston THE VINCENTIAN in English 10 Jan 86 p 1

[Article by Elvis Olivierre]

[Text] Problems arose at the Orange Hill Estate last Monday January 6th between Banana Workers and the Manager of the Estate, Clarence Matthews, after he had ruled that work days be limited from five days per week to three. Reports say that the estimated one hundred and fifty workers protested strongly when they heard of the move and walked off the job. On Tuesday about 30 of the workers came to Kingstown and picketed the yard under the Ministry of Tourism, also the office door of the Ministry of Housing and Labour who is also representative for the Orange Hill area David Jack. The demonstration lasted for over two hours.

The Vincentian obtained the following information from demonstrators. The picketers were protesting the management of Matthews, asking that he be removed immediately and warning that if he isn't "there will be violence at Orange Hill". The picketers said they could not tolerate the strange behaviour of which he was guilty. At times, calling them" Jackasses and Asses and using filty language". They claimed that on the day of the dispute, Monday, Mr. Matthews had showed them bullets! Matthews denied this and other allegations brought against him.

Minister Jack responding to the racket at his door, asked that a delegation be formed to meet with him in his Office, so that negotiations could be conducted cordially. The meeting lasted for over one hour and at its conclusion, the Minister informed other picketers that it was successful and all was well. Jack explained to the picketers that the final decision made and agreed on by the delegation was that the workers go back to their job and try to cope with the three days as set by the Manager. Jack promised the workers that in a few days some improvement could be expected and urged them to work harder and longer and "we will pay you a better salary."

Some workers at Orange Hill get $10.40 per day, one picket card claimed that the wage could not buy food nor clothes. Other picket cards stated, "workers of Orange Hill are suffering", "get Matthews out of Orange Hill or there will be war."

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CSO: 3298/311

ST VINCENT AND THE GRENADINES

BRIEFS

OFFICIALS ON RADIO--Prime Minister James Mitchell at an NDP meeting at the Market Square on Wednesday night promised that the popular Radio 705 programme "Searchlight" will be given additional focus by the introduction of Ministers of Government and Officials on the panel to answer the questions of the Public. Also two other democratically oriented programmes "Man on the Spot" and "Express Yourself" will be introduced. [Text] [Kingston THE VINCENTIAN in English 17 Jan 86 p 1] /9274

CSO: 3298/311

TURKS AND CAICOS

PDM LEADER HOWELL DISCUSSES PARTY'S POLICIES, VIEWS

Grand Turk TURKS& CAICOS NEWS in English 29 Nov 85 p 3

[Text] **LEADER** of the opposition People Democratic Party in a brief interview with the *News* recently said that contrary to the ruling People National Party's belief, they do have a number of good candidates to offer for elections and also positive plans for future development here.

The PDM leader said: "If they think I don't have candidates, let them call my bluff and call a general election, then we shall see."

He noted that among his candidates are **Oswald Skippings**, deputy leader of the party, **Lewis Astwood, Llewlyn Handfield** and **Max Garland.**

Howell said that from the people's response and from a house-to-house survey, they have concluded that the PNP government has done very little for the country, adding that it was agreed that the PDM was the government for the day.

He also claimed that prospective investors "are willing to work with us."

He noted that should his party come to power one of the first things they would look at business licences, to make the terms of such licences more encouraging. They would also open war on drugs, he said.

Here refuting a charge by some that his party may have had some dealings in drug trafficking, he said: "As far as I know the leaders and the top people of the PDM are clean and I have every belief and hope that they will remains that way."

Referring to the March 5 episode, he said that the government ought to have shown some appreciation for the peaceful, supportive behaviour of the PDM.

He said that at that critical time it would have been easy for anyone to agitate the unrest, but this party did not choose and by its very nature would not choose such a path. He said that instead his party called upon the people at time to support the government and to conduct themselves within the boundaries of the law.

Howell said that his party does not believe in violence, that he personally is a nonviolent man and that he believes in ruling by love.

The PDM leader was nominated to that position during last year when he became an active politician.

Prior to this nomination, he was involved in politics when he often served as returning officer in elections.

Howell started out life as a civil servant where he served as a teacher, for 14 years.

He worked as a district

constable for two years and as a district commissioner for three years.

He subsequently held the position of Permanent Secretary in the Ministry of Health for a year (during the PDM reign) and also served for a period as Permanent Secretary in the Chief Minister's office.

When elections took place in 1980, Howell went back to teaching but then he decided to enter politics and resigned from his teaching profession.

He also has a good academic background and this coupled with his professional background supports his belief that he can play a positive role in this country's development.

He sais that he entered politics because he saw a need and because he had a worthwhile contribution to make.

Today he feels that part of that contribution is to request the government to step-down and to agitate for a commission of inquiry into alleged malpractices here.

He says: "Because of the situation at the moment, the country needs a new mandate and for this general election must be called."

He added: "I feel that my party has a good chance because of its track record. One of our achievements was the Club Med project which was signed in 1980 . . . we brought electricity to Middle Caicos. Road were much better than they are now."

He reflected: "We have been too quiet. We let the Constitution take its course hoping that the present government would recognise where they went wrong and correct themselves."

But Howell said that it was now evident to his party that there was a need here for the commission of inquiry. He added that what was needed here was a "clean-up."

The PDM leader noted that they will continue to push for a general election and to demonstrate if necessary.

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CSO: 3298/312

TURKS AND CAICOS

BACKGROUND TO PNP VICTORY IN COUNCIL BY-ELECTION NOTED

Assessment of Results

Grand Turk TURKS & CAICOS NEWS in English 12 Dec 85 p 1

[Text]

EMILY SAUNDERS, wife of the former Chief Minister **Norman Saunders,** last Wednesday won the by-election held at South Caicos by an overwhelming majority.

She gained 198 votes of the 252 cast, winning the seat for the ruling PNP.

Fifty-three votes went to the TCUP's candidate **Lynette Bassett,** the only other contestant. The main opposition party, the PDM who staged a boycott did not participate. The votes which went to Emily was just 47 less than that which went to her husband in 1980 when he ran for the South Caicos seat, which may be an indication of the number of persons who have lost confidence in the PNP party.

Norman Saunders won 245 votes in the last election. The PDM, the only contesting party then, gained 46.

The landslide victory of Emily now means that the PNP is ruling with eight out of 11 seats in the legislature, fulfilling in part the prediction of Chief Minister **"Bops" Francis** that they will gain these three seats. He also said that his government was so sound that were they to call general election — the devout wish of the opposition — the PNP would walk away with all 11 seats. The PDM and the TCUP, however do not share this view and are eager to challenge the ruling party in a general election.

Such eagerness however did not embrace the holding of by-election which both parties felt was an undemocratic move by the ruling PNP and which explains why the PNP had such an easy victory for the three seats, two of which were uncontested.

The three seats became vacant when Norman Saunders, **Stafford Missick and Aulden Smith** three former top officials of the PNP resigned their seats, having been jailed on drug-related charges.

But both the PDM and the TCUP felt that because the government had been so disgraced, they should have stepped down from power and given the people of fresh mandate by calling a general election.

The PDM felt so strongly about the issue that they staged a boycott of the by-elections by not nominating any candidate. The ruling party, however, claimed that the PDM were only boycotting because they could not find candidates to run and pointed out that it was the PDM who had initiated campaigns in anticipation of by-elections. Chief Minister Francis also pointed out that had the PDM been really confident of the support of the people they would have participated in the by-elections where three seats were up for the taking. Francis argued that the three seatsd would have given the PDM a majority.

The PDM, however, stuck to their position that the government was acting in an undemocratic manner and went to the extent of calling for a commission of inquiry.

The other opposition party, the TCUP, originally agreeing to side with the PDM in their boycott move, changed their minds at the 11th hour by nominating a sole candidate to run against Emily Saunders — the nomination of whom they said was an insult by the government to the people of Turks and Caicos.

But the ruling party saw the TCUP's sole nomination in itself as an insult to Mrs. Saunders and Francis said that they were making a mockery but that it would be one which would backfire.

To all appearances, the TCUP had little hope of ever winning the seat, but the fact that they gained 53 votes (even though about an equal number, no doubt PDM's among these, abstained) is significant.

The South Caicos seat has always been a strong PNP one, and no keen political observer would ever have expected that the majority there would ever forget their loyalty and obligation to the Saunders family.

But while the PNP may have been politically smart in nominating Mrs. Emily Saunders, it remains to be seen whether the election of the wife of the jailed former Chief Minister will further tarnish the country's image on the international scene.

Emily Saunders Campaign

Grand Turk TURKS & CAICOS NEWS in English 12 Dec 85 p 1

[Text]

IN A campaign speech for the by-election held in South Caicos, last week, ruling Progressive National Party's candidate **Emily Saunders** expressed her confidence that she would not be let down by the people of that area, pointing out that the "PNP knows what you want and what is best for you."

Mrs. Saunders, wife of former Chief Minister **Norman Saunders**, who is now serving a jail sentence in Florida earlier noted that it would take more than TCUP's leader **Leon Smith** to stop her from running for the South Caicos North seat, adding that she was not a quitter.

The PNP candidate was referring to the stand taken by Smith against her candidacy. Smith had stated publicly that the government should be ashamed to nominate the wife of the former Chief Minister.

Emily Saunders told the people "that some may try to turn you against me, but remember the PNP is your party" urging them not to be deterred from their convictions.

Another PNP speaker praising the PNP candidate stated that Emily Saunders was known throughout the Turks and Caicos for her social work.

The speaker declared: "Tonight is Emily Saunders' night," and predicting that the outcome of the by-election would be in her favour said that the night of December 4 would be the second happiest day in her life — the first being when she married Norman Saunders.

The PNP representative went on to note the greatness of Norman Saunders and enumerate the things he had done for this country.

Another representative urged the people, of South Caicos to give more votes to Emily than they had given to her husband so that the extent of her support would be realised. Referring to the economic state of the country he said that in a few weeks time "marvellous things would be happening."

Another PNP campaigner pointed out that they were not a perfect party and that they were not perfect people but that it was their duty to address every problem and try to find a perfect solution, adding that the PNP would always do their best.

He pointed out that the PNP believe in a government "of the people, by the people, and for the people."

Letters From Norman Saunders

Grand Turk TURKS & CAICOS NEWS in English 12 Dec 85 pp 1, 8

[Text]

READING of letters were an integral part of the campaigns led by the Progressive National Party and the Turks and Caicos United Party when they mounted campaigns for the by-election which was held in South Caicos North last December 4.

A letter from jailed former Chief Minister **Norman Saunders** to the people of South Caicos, extolling the virtures of his wife as the fit person to run for the South Caicos seat and urging them to support her, was an emotional lever which won much ground for the PNP in a constituency where they have always been strong.

Countering the ploy, the TCUP came up with a letter from their National Chairman **Victor Forbes** who chose not to be present at the meetings, which also extolled the virtues of their candidate and called upon people to support their party.

But there is little doubt that it was Norman Saunders' letter which had more political sway, his words bringing ready images of himself locked away in prison and serving as a reminder to the people of just how loved he had been as a leader; and perhaps just how indebted some of them may still be to him for his kindness to them during his reign as their Chief Minister.

In his letter, Norman Saunders addressed the people of South Caicos as his "beloved brothers and sisters," expressing deep regret that he had had cause to resign from his seat after serving his people for so long.

He told them that his wife's candidacy had his support, but that it had been one suggested by the party despite the fact that some may want to make it a "family affair."

Norman Saunders wrote that such was far from the case and that his wife had worked equally as hard as he himself to ensure "proper representation."

He pointed out that many have seen his wife on problems more often than they had seen him and went on to note the many beneficial changes she had worked for, numbering among these her keen interest in welfare. He said that his wife in her quiet way often got results and that in the final analysis that was the important thing.

He wrote to the people: "If you are sick and need treatment Emily will see to it that you are attended to; if you need a job she will do her best to see your situation improved.

"In many ways the quiet worker can produce the best results, but you don't often hear about it. I know Emily will look after your problems. My heart will be there — as it has been during the past months — as I listen to the results of the by-election. I ask you to give Emily your support and I know you will not regret it.

"I expect that with God's help I'll be home to join her and you; and will continue to help you in whatever way possible."

In his letter national chairman of the TCUP Forbes noted that the country was "on the brink of destruction."

The national chairman said that it was the TCUP's intention to bring about unity and cohesion and to bring everyone together with what the TCUP was all about. He said that the party has taken into consideration the needs of the various sectors including the young and old and maintained that the efforts of the ruling party to promote unity was unsuccessful.

He referred to the economic state of the country and questioned the arrival at such a condition, pointing out that greed and selfishness will never make the day. He told the people that he counted upon them to give the TCUP's candidate **Lynette Bassett** their support.

TCUP Candidate's Speech

Grand Turk TURKS & CAICOS NEWS in English 12 Dec 85 pp 1, 8

[Text]

TCUP's candidate **Lynette Bassett** at a political meeting prior to the holding of the by-election in South Caicos told the people there that it was time for the country to move forward, intimating that it was only with the TCUP that it could do so.

Stating that she would make no promises she could not keep, she urged the people to consider carefully when making their choice. She said that it was "a moral issue and not a personal vendetta" on her part in deciding to run.

Speaking out against the PNP regime as an ineffective one, Bassett making an allusion to a ship, said that if a captain has run his vessel aground it was too much to expect the crew to put it on safe waters again.

She also declared that if the PNP had not been able to make all the necessary changes toward development here when they were in all their glory, one cannot expect them to do so now.

The TCUP candidate also denounced a recent broadcast made by Chief Minister **"Bops" Francis**, noting that it was blatant of him to state he did not care what the outside world thought of his country and then in a turnaround go begging for aid from various countries.

She also asked where were the investors the PNP had boasted were waiting around the corner when they had campaigned for the last general election.

Moving on to the policy of the TCUP, she said it was not their style to speak ill of others, and noted that those who speak ill of the TCUP themselves do not have any identity.

Opening her address, Bassett noted that much had been said since she was nominated and that some of these were very damaging statements. She said it was evident that some think their contemporaries to be nobodies "if you are not what they want."

She asked angrily: "Who gave them the right?"

Bassett pointed out that the South Caicos seat was not a legacy to be handed from one family to another.

And urging the people, to consider carefully before going to the polls she said that when you make certain choices in life you always have to consider the consequences.

Earlier another TCUP representative **Glen Clarke** noted that the party was concerned with the well-being of all Turks and Caicos, adding that they have a sound plan for the country's development.

PDM Denunciation

Grand Turk TURKS & CAICOS NEWS in English 12 Dec 85 p 3

[Text]

MR. OSWALD Skippings of the People's Democratic Movement, in a news release denouncing the past by-election, made the following statement:

"We the People's Democratic Movement presently abhor the very concept of the by-election and consider the move on behalf of the encumbent PNP government a contemptible gesture.

"By-elections in the light of the past unfortunate and disgraceful events and the present national political, economic and social crisis are nothing short of a farce, a sham and a calculated folly by which the PDM will not debase itself in any form of affiliation or participation.

"To begin with, by-elections do not present a broad enough base to afford the electorate the forum to express it's present political intentions and concerns and is therefore not consistent with our claims of being a democracy.

"To make an appalling situation even worse, the governing PNP proved degenerate enough to nominate the wife of the convicted former leader and Chief Minister to take up where he left off, and to perpetuate his corrupt and peverse ideologies and intentions, denotes a Papa Doc Baby-Boy pattern. This move is not only audacious, but presumptuous and wicked in the sight of both God and man. It defies everything that is sensible, decent, moral and patriotic and shows absolutely no remorse or penance for the injustice and the damage done to this country.

"This arrogance can only lead to the further moral breakdown of our society. The continual decline in our economy, progressive loss of political face, greater disrespect for this country in the international arena and last but not by no means least, the nomination highlights the complete lack of regard for the electorate that has already been humiliated, deceived and short-changed in every respect.

"We have repeatedly stated by petitions to Her Majesty's Government, the present Chief Minister and to the world that justice will only be served our country and countrymen and true democracy will only be practiced as preached by a dissolution of the Legislature and a call for general elections. We still maintain this stand and will settle for nothing less. We will not compromise our principles and convictions and will maintain our integrity.

"We stand for true democracy, we live by it and if necessary we will die for it, if God will have it so. To us the interest of our country comes before our salaries; the welfare of our people precedes the lust for political power and prestige and sincere honest political dialogue and sound policy supersedes random political rhetoric that serves only the ends of selfish, greedy, dishonest and corrupt politicians.

"In this light, in harmony with our conscience we could not participate in the by-elections, but rather continue to demand a general election that would give the entire electorate the opportunity to give a much-needed new mandate to whomever they see fit to give it."

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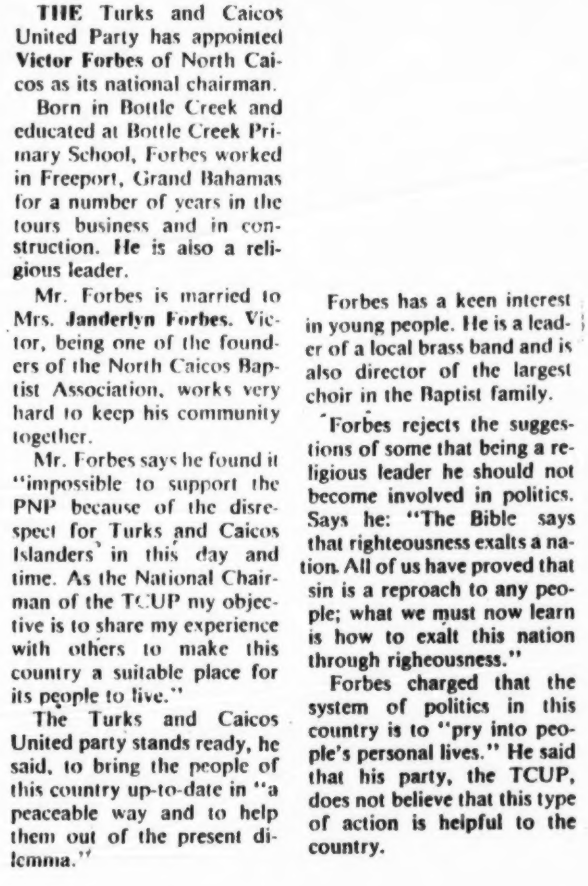
TURKS AND CAICOS

TCUP ELECTS VICTOR FORBES AS ITS NATIONAL CHAIRMAN

Grand Turk TURKS & CAICOS NEWS in English 12 Dec 85 p 3

[Text]



THE Turks and Caicos United Party has appointed **Victor Forbes** of North Caicos as its national chairman.

Born in Bottle Creek and educated at Bottle Creek Primary School, Forbes worked in Freeport, Grand Bahamas for a number of years in the tours business and in construction. He is also a religious leader.

Mr. Forbes is married to Mrs. **Janderlyn Forbes**. Victor, being one of the founders of the North Caicos Baptist Association, works very hard to keep his community together.

Mr. Forbes says he found it "impossible to support the PNP because of the disrespect for Turks and Caicos Islanders in this day and time. As the National Chairman of the TCUP my objective is to share my experience with others to make this country a suitable place for its people to live."

The Turks and Caicos United party stands ready, he said, to bring the people of this country up-to-date in "a peaceable way and to help them out of the present dilemma."

Forbes has a keen interest in young people. He is a leader of a local brass band and is also director of the largest choir in the Baptist family.

Forbes rejects the suggestions of some that being a religious leader he should not become involved in politics. Says he: "The Bible says that righteousness exalts a nation. All of us have proved that sin is a reproach to any people; what we must now learn is how to exalt this nation through righeousness."

Forbes charged that the system of politics in this country is to "pry into people's personal lives." He said that his party, the TCUP, does not believe that this type of action is helpful to the country.

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CSO: 3298/312

NEW POLITICAL PARTY ANNOUNCES LEADERSHIP, PRINCIPLES

Montevideo BUSQUEDA in Spanish 27 Dec 85 p 9

[Text] A new political organization, the Humanist Party, will present its Statement of Principles and Bases of Political Action as well as its slate of officers and 6,000 signatures to the Electoral Court. Its promoters informed BUSQUEDA of this.

The request for official registration of the new party will reveal the existence of a legal gap after the repeal of Fundamental Laws 2 and 4 of the political parties. The Electoral Court must study the case or wait for a parliamentary pronouncement.

The official launching of the Humanist Party which began here more than a year ago took place on 21 December in a downtown hotel when its leaders were announced to the press.

The president of the organization is Maria Teresa Cabrera and the vice presidents are Maria Julia de Lazzari and Jorge Gomez.

Delegates from the Humanist Parties of Argentina, Brazil, and Paraguay were present.

Argentines Roberto Koanoff and Luis Amman reported that their party has representation in all the provinces of their country and that it obtained permission to participate in the last elections, winning more than 50,000 votes.

The delegate from Brazil, Marlene Vasconcellos, reported that the Humanist Party participated in the last municipal elections and won a considerable number of votes in some districts. In San Pablo it received 200,000 votes.

The Paraguayan delegate said that his organization was formed in exile and cannot act legally in his country.

The Humanist Party leaders indicated that there are similar organizations in 42 countries. They uphold common ideological principles but are not governed by international structures.

"Humanize Uruguay"

The new party supports traditional humanism and the phenomenological method and "expresses itself in social practice through the methodology of nonviolence."

It expressly fights "nihilism, unemployment, inflation, violence, torture, persecution, discrimination, and murder."

It singles out "the economic and financial monopolies and the multinational groups that act in the country as factors of dependence and ignorance among the national productive forces." Its motto is: "Humanize Uruguay."

Cooperativism, Pluralism

The Humanist Party advocates "the support of the democratic, representative, and republican regime and of the principles and objectives of the Constitution of the Republic."

In political action, it advocates "the creation of production, service, and consumer cooperatives and demands state support for cooperativization of every enterprise that, due to its situation, compromises the present and the future of its workers."

It also promotes "tax reforms and new models of comanagement that change the situation of ownership and give incentive to a progressive distribution of the wealth."

It advocates: "multiple models of comanagement within a general cooperative system; union plurality within a confederation of workers; student comanagement exercised through single student centers with a diversity of slates and lines; and equal time for the different religions and for atheism."

The Humanist Party emphasizes the rejection of discrimination and violence against any sector, particularly women and youth, and fights "authoritarianism and economic, organizational, and ideological monopoly."

As to international affairs, it advocates integration, nonpayment of foreign debts, the peaceful resolution of conflicts, disarmament and formation of a Latin American human rights court, a common market, and a continental parliament.

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CSO: 3348/357

BROAD FRONT LEADERS MEET WITH RANK AND FILE MEMBERS

Montevideo BUSQUEDA in Spanish 27 Dec 85 p 1

[Text] The political leadership of the Broad Front resolved yesterday to convoke its base groups so that, over the next 3 months, they can discuss the different proposals for reorganization of the coalition formed by different sectors.

The "Consultation Group" made up by the president of the Broad Front, Liber Seregni, and the heads of the different sectors decided that there should be a "meeting of base committees" in April. Although the meeting will not have decision-making powers, it will help propose a solution to the topic of reorganization. Reliable sources told BUSQUEDA that an internal political agreement had not been reached on this.

The decision of the "Consultation Group" will be formally announced by Seregni in a ceremony Sunday in the Prado, according to these sources.

It was pointed out that the different committees of the Broad Front will have to be given the proposals for reorganization drawn up by the Socialist Party and the IDI [Independent Democratic Left] and the one prepared jointly by the PDC [Christian Democratic Party] and List 99.

Another proposal will be presented on Monday by the Advanced Democracy coalition made up by the Communist Party, the Broad Front Popular Movement led by senator Francisco Rodriguez Camusso, and the Broad Front Unity Current led by senator German Araujo.

One of the leaders said: "It was decided to consult the bases in order to generate at that level a climate to provide a catalyst for positions and iron out a way to reach political agreement."

The sources indicated that the socialist proposal that was the first to be considered and the IDI proposal as well as the one being drawn up by Advanced Democracy more or less agree. The proposal by the PDC and List 99 differ as to the political steps to take when decisions cannot be reached in the leadership organs of the coalition.

The socialist proposal establishes that, except in a small agenda, the Broad Front must have instruments that lead all sectors to adopt a joint position.

The PDC and the List 99 proposal state that when all ways to reach a consensus have been exhausted, the different sectors of the Broad Front have "responsible freedom" to act based on their own opinions.

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URUGUAY

COLORADO PARTY DEPUTY VAILLANT FORMS NEW FACTION

Montevideo BUSQUEDA in Spanish 3 Jan 86 p 5

[Text] While deputy Victor Vaillant announced the formation of a new sector within the Colorado Party, senator Manuel Flores Silva, leader of the CBI [Independent Batllist Current], stressed "looking ahead" after the internal crisis in their group.

On Friday, 27 December, Vaillant announced the formation of the MRB [Batllist Reaffirmation Movement] in a ceremony held at the Colorado Party House.

At the meeting on the 27th, the following Provisional Executive Committee was appointed: Vaillant; municipal officials Roberto Cristiani and Diego Perez; alternate deputies Hector Montes and Luis Suarez; union leaders Emilio Mattaitis and Carlos Frumento; and student leader Alfonso Grana.

It was pointed out that this committee will act until 13 April when the first MRB National Congress will elect permanent leaders and will approve the statutes for the movement.

Differing Figures

The press secretary of the MRB, Hector Duran, told BUSQUEDA yesterday that "40 percent of the CBI's registered members in Montevideo in 1984" decided to join the new Colorado group.

Duran pointed out that there were 800 registered members affiliated with the movement, but CBI sources warned BUSQUEDA that there were only 120.

The leaders of the MRB and the CBI continued to give different versions on the number of members and former members as this issue went to press.

Duran indicated that "the entire" Carrasco, Punta Gorda, Tercer Mundo, and Braille groups and "the majority" of the Toledo Chico and Flores Mora groups decided to leave the CBI and join the MRB.

He added that "there were dropouts" in all the other CBI groups. "Not one member of the Union Group remained in the CBI."

Duran also expressed his "certainty" that the executive committees of Paso de los Toros, Treinta y Tres, Rocha, and Maldonado would join the MRB. He stated that the student groups of Agronomy, Veterinary Studies, Architecture, and the IPA [Institute of Artigas Professors] already had.

However, CBI sources stated that "there have only been 60 dropouts officially." They pointed out that the executive committees of Treinta y Tres and Paso de los Toros were at the meeting Monday, 30 December.

Flores Silva: "Those Who Yell, Those Who Think"

At that meeting, the members of the CBI Executive Committee evaluated the events of 1985 before hundreds of members and followers at the Colorado Party House.

Flores Silva said on that occasion: "The country is divided today between those who yell and those who think." He pointed out: "Change and progress in the country never came about because of those who yell. Those who think always achieved it. It was never demagoguery but reflection."

He stated that it brought "to mind the image of the indignant soul, the contorted faces of many comrades because we have been attacked."

He said: "For example, the fact that the district groups that joined in 1984 have signed up with the CBI this year has been distorted in an attempt to hurt us."

He added: "Lies have been spread about members leaving the CBI to join other groups of the party." He revealed his "concern because if they are capable of being disloyal to the CBI, they are capable of being disloyal to the Colorado Party."

Flores Silva indicated having "seen comrades who always looked to someone who today takes a seat away from us. They say that the seat is not his but this assembly's."

He announced: "We will multiply that seat they steal from us today by five or six in the next elections."

The CBI leader asked his fellow members not to fall "into the logic of bitterness and anger." He exhorted: "Let us look ahead."

He stated: "Let us rise above anger and indignation. Let us be true CBI members with an obsession for the future and let us forgive our comrades."

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LUSINCHI FAVORS EMPLOYMENT PROGRAM OVER WAGE INCREASE

Caracas ZETA in Spanish 21 Nov-2 Dec 85 pp 16-18

[Passages in slantlines rendered in italics in original]

[Text] President Jaime Lusinchi announced to the Trade Union General Meeting of Democratic Action that he will have "good news" before the end of the year, but at the same time clearly gave it to be understood that it is not a matter of a general wage increase, since right in Central Park and before the entire membership of the general meeting, the President reiterated his position that he is in agreement with increasing employment rather than with increasing the wages of those who are already employed.

He referred to the document presented by the President of the CTV [Confederation of Venezuelan Workers], Juan Jose Delpino, and said that it is being "studied" not only by the Tripartite Commission but also by the government itself. In an emotional context but in a framework of cold (and at times hard) figures on economic reality, President Lusinchi let it be understood however that the worst is already past and that from now on it is possible to make a serious beginning on the economic reactivation of the country.

With an attack on the government that preceded him--perhaps the hardest attack on the administration of Luis Herrera Campins--President Lusinchi asked once again for the support of the workers of his party:

"Today I come to ask you to redouble your confidence in me. I need it. The task has been harder than the most fertile imagination could have thought. When at innumerable meetings we were designing the strategy to come back to power and what we would do when we recovered it, we could never have imagined, neither we nor you, the state of prostration in which Venezuela found itself due to the process of national self-destruction brought about from the highest spheres of government."

But with impressive coldness, considering that his speech was made in a political context, Lusinchi gave figures clearly demonstrating that there was still no substantial reactivation. The president said that by the end of 1985 the Venezuelan economy will have practically assimilated the effects of the economic adjustment measures, above all those derived from the devaluation of the bolivar. He said that according to the BCV [Central Bank of Venezuela], the policies followed were successful in fundamental respects "although the level of internal productive activity and the labor market do not show definitive signs of recovery."

The President admitted that the progress observed in some areas--agriculture among others, obviously--"has been diluted by the lack of dynamic progress in other sectors." He referred specifically to the construction industry, which "remains affected by deficiencies of an institutional nature as well as by a decline in public investment."

Stressing that prices on the average have not increased more than three percent in the first eight months of the year, he admitted that the "cumulative impact" of the previous five years has had a negative effect on the purchasing power of the population and on aggregate demand in the economy. However he also mentioned something that the CTV had very insistently pointed out to him: the necessity of apportioning a high proportion of the additional income in national currency to the service of the debt.

"For the burden of internal debt to be less onerous," Lusinchi said, it is necessary that the economy expand so that an ever smaller part of income should be alloted to the service of these obligations. There is therefore no better alternative than economic growth to consolidate the achievements attained up to the present time.

Despite the honesty of his figures, his exposition and the focus of his argument, President Lusinchi was equally clear in expressing that in his mind he has rejected the idea of a general wage increase (and who knows if not also a graduated increase in some sectors). Within the emotional warmth of his exposition his allusions to this may have gone unnoticed, although he alluded to the CTV document when he said that "we shall soon be in a position to give a sure/and I would say satisfactory/reply to those aspirations of the organized Venezuelan working class."

"I do not want to give any opinions in advance, but what I say now in a general way, to come out a bit from the unavoidable or inescapable technical details which I had to use in reporting to you on the economy and the administration, is that I believe comrades that we are going to be contented at the end of the year. /I am going to give you good news,"/the President said.

What would be the news for the CTV?

A general wage increase is not it. The President himself discarded that in Central Park when he said that "the most expeditious way of increasing the level of economic activity would be by means of a general increase in wages and salaries" but at almost the same time added that "the reactivating thrust could be of short duration."

The decrease in profits would cause a decline in the production of the less profitable establishments and would have a negative impact on the levels of investment in each and all of them. The risk would be run, moreover, of a reactionary spiral of prices, salaries and devaluations, the outbreak of which we have avoided in Venezuela.

This being rejected, the government seems tempted to take the route of job creation. Arguing that his administration is convinced that it has to stop the deterioration of real income for the Venezuelan family, Lusinchi said: "That is why we have said over and over that wage increases should be granted that augment the purchasing power of Venezuelans but that do not cause distortions in the productive process."

This indicates that he inclines to an increase in reactivated sectors but in the last few days a survey of the private sector called by the press "Topical Survey of the industrial sector" was published showing that this sector would be willing to increase its investments, and thus its potential in providing employment, but that it could not do so if wages and salaries rise. These industrial sectors would be willing to enter into areas of production of products that previously were imported, but they require that their costs not be so high. This could put a brake on the idea of giving workers increases in different sectors. Within the context of what the President said at Central Park it could well be that the government is inclining toward the creation of jobs.

/"We are convinced that we are obliged to attend as a first priority to those who are presently without jobs./ Hence the importance of extending to all the branches of the economy the benefits of reactivation and of strengthening both the public and the private inclination to invest. That is the most important task we have to fulfill. Only thus will the economic and social development of the country be given a permanent character," Lusinchi said.

A general wage increase is thus not the good news announced by the President to the workers. Wage increases in specific sectors may not be it either, considering the reluctance of the private sector and the government's intention of stressing the creation of new jobs. In his speech he outlined a reactivation plan in accordance with the 3-Year Plan, the definitive version of which may be sent to Congress in the next few days. It is virtually known to the country and although it will serve as a basis for reactivation and as a complement to the budget for 1986, it is not even remotely a panacea. (Furthermore, the 3-Year Plan, originally comprising 45 billion bolivars, was reduced to 35 billion because of 10 billion eliminated are ensured by means of external financing through the Inter-American Development bank and other sources). What remains then is the government decision to freeze the prices of some basic products so as to compensate for the hard blows against the purchasing power of the workers. Apparently there is an inclination within the government toward the freezing of about 25 of the list of 30 products that the CTV suggested to the Tripartite Commission.

The government seems to be clear on its general strategy for the economy:

--Stimulus of internal demand by means of fiscal expenditures will be part of a combination of macroeconomic and sector policies to guarantee its reactivating impact. We will thus avoid repeating the experience of the 1980-83 period, when expansive fiscal policy, combined with inadequate monetary and foreign exchange policies, instead of reactivating the economy, contributed to unleash capital flight and to increase inflationary pressures. Within this framework of ideas, the government is preparing a Recovery Plan, the central objective of which is to give impetus to the takeoff of our economy and to establish the bases of the structural change required for its sustained growth, without generating undesirable inflationary pressures.

What is not clear is how it is going to liberate itself from the immediate pressures of the labor sector, which has sacrificed itself when asked to do so and which is now asking for help because it is in real difficulties.

On asking the AD workers for their confidence and their aid, it is possible that President Lusinchi is asking them to hold on a little longer, since he thinks "we have already finished the most difficult part of the task, that of cleaning up our public finances and giving the country confidence again in its own capacity. Now comes the stage of looking ahead, of investing, of demonstrating that we are capable of creating and generating riches and wellbeing."

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VENEZUELA

BRIEFS

NEW AD LABOR BUREAU--The national labor union bureau of Democratic Action [AD] was filled, half by full members and half as alternates, with the election by acclamation of Antonio Rios as Labor Union Secretary of AD. The full members of the Bureau are: Juan Herrera, Juan Jose Delpino, Sotero Rodriguez Pena, Ismario Gonzalez, Gaston Vera, Victor Mezzoni, Cesar Gil, Juan Jose Romero, Carlos Lander, Federico Ramirez Loen, Freddy Iriarte, Jose Beltran Vallejo, Luis Ramos and Victor Lopez. The alternate members are: Angel Zerpa Mirabal, Melicia Flores de Laya, Francisco Salazar, Claudio Azocar, Raul Enrique Estrella, Edilberto La Riva Blanco, Nestor Yancen, Hugo Arias, Jesus Perez, Domingo Cabello Blanco, manuel Meza Llamozas, Luis Marcial Ojeda, Radael Castaneda and Homero Urribari. [Text] [Caracas ZETA in Spanish 21 Nov-2 Dec 85 p 17] 12856/12274

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